

# Breckland District Council

Auditor's Annual Report  
Year ended 31 March 2025  
**13 April 2026**



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Governance and Audit Committee  
Breckland District Council  
Elizabeth House  
Walpole Loke  
Dereham Norfolk  
NR19 1EE

13 April 2026

Dear Governance and Audit Committee Members

### **2024/25 Auditor's Annual Report**

We are pleased to attach our Auditor's Annual Report including the commentary on the Value for Money (VFM) arrangements for Breckland District Council. This report and commentary explains the work we have undertaken during the year and highlights any significant weaknesses identified along with recommendations for improvement. The commentary covers our findings for audit year 2024/25.

This report is intended to draw to the attention of the Breckland District Council any relevant issues arising from our work up to the date of issuing the report. It is not intended for, and should not be used for, any other purpose.

We welcome the opportunity to discuss the contents of this report with you at the Governance and Audit Committee meeting on 18 June 2026.

The [EY UK 2025 Transparency Report | EY - UK](#) provides details regarding the firm's system of quality management, including EY UK's system of quality management annual evaluation conclusion as of 30 June 2025.

Yours faithfully

David Riglar

Partner,

For and on behalf of Ernst & Young LLP

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Public Sector Audit Appointments Ltd (PSAA) issued the “Statement of responsibilities of auditors and audited bodies”. It is available from the PSAA website (<https://www.psaa.co.uk/managing-audit-quality/statement-of-responsibilities-of-auditors-and-audited-bodies/statement-of-responsibilities-of-auditors-and-audited-bodies-from-2023-24-audits>)

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 and further guidance (updated July 2021)” issued by the 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 in legislation, and covers matters of practice and procedure which are of a recurring nature.

This report is made solely to the Governance and Audit Committee and management of Breckland District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Governance and Audit Committee and management of Breckland District Council those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the Governance and Audit Committee and management of Breckland District Council for this report or for the opinions we have formed. It should not be provided to any third-party without our prior written consent.



# 01 Executive Summary

# Executive Summary

## Purpose

The Auditor's Annual Report summarises the year's audit work, including value for money commentary and confirmation of the financial statement opinion. It also references any use by the auditor of their additional powers and duties under the Local Audit and Accountability Act 2014. In line with the NAO Code of Audit Practice 2024 ("the 2024 Code") and Auditor Guidance Note 03 (AGN 03), this report provides an overview to Breckland District Council and the public, detailing current recommendations and a review of prior years' actions, including our assessment of whether they have been satisfactorily implemented.

Auditors must issue their draft annual report to those charged with governance by 30 November each year, reflecting the audit position and value for money assessment at that time, even if the 2024/25 audit is ongoing. We issued a draft Auditor's Annual Report to the S151 and Governance and Audit Committee Chair on 24 November 2025 reflecting the audit position and value for money assessment at that time to meet this requirement. As our audit work is now complete, and the Audit Results Report has been issued, this is the final version for the Committee.

## Responsibilities of the appointed auditor

We have undertaken our 2024/25 audit work in accordance with the Audit Plan that we issued on 25 April 2025. We have complied with the 2024 Code, other guidance issued by the NAO and International Standards on Auditing (UK).

As auditors we are responsible for:

Expressing an opinion on:

- whether the financial statements give a true and fair view of the financial position of the Council and its expenditure and income for the year; and
- have been prepared properly in accordance with the relevant accounting and reporting framework.

Reporting by exception:

- if the annual governance statement does not comply with relevant guidance or is not consistent with our understanding of the Breckland District Council;
- the use of additional powers and duties, for example making written recommendations under Section 24 and Schedule 7 of the Act or making a report in the public interest; and
- if we identify a significant weakness in the Breckland District Council's arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## Responsibilities of the Council

The Council is responsible for the preparation of the financial statement, including the narrative statement and governance statement, in accordance with the CIPFA Code and for having internal controls in place to ensure these financial statements are free from material error. It is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

# Executive Summary (cont'd)

## 2024/25 conclusions

<b>Financial statements</b>	<p>As reported in our 10/02/2025 Audit Results Report we issued a disclaimer of opinion on the Council's 2023/24, and 2022/23 financial statements under the arrangements to reset and recover local government audit.</p> <p>In 2024/25, we have continued to audit the closing balance sheet and in-year transactions. We have not been able to complete all planned audit procedures, see pages 13 to 16 for more detail. We therefore have not yet obtained sufficient evidence to have reasonable assurance over all in-year movements and closing balances. As a result of the disclaimer of opinion on the 2023/24 financial statements, we do not have assurance over most of the brought forward balances from 2023/24 where we did not gain assurance (the opening balances). This means we do not have assurance over all 2024/25 in-year movements and the comparative prior year movements. We also do not have assurance over all the 2023/24 comparative balances disclosed in the 2024/25 financial statements. Taken together with the requirement to conclude our work by the 2024/25 back stop date, the lack of evidence over these movements and balances mean we are unable to conclude that the 2024/25 financial statements are free from material and pervasive misstatement of the financial statements.</p> <p>We therefore issued a disclaimer of opinion on the 2024/25 Statement of Accounts on 17 February 2026.</p>
<b>Going concern</b>	<p>Where a disclaimer of opinion is issued on the financial statements, we do not conclude on whether the use of the going concern basis of accounting is appropriate.</p>
<b>Consistency of the other information published with the financial statements</b>	<p>The financial information in the narrative statement and published with the financial statements is consistent with the accounts.</p>
<b>Value for money (VFM)</b>	<p>We had no matters to report by exception on the Council's VFM arrangements.</p>
<b>Consistency of the annual governance statement</b>	<p>We were satisfied that the annual governance statement was consistent with our understanding of the Council.</p>
<b>Additional powers and duties</b>	<p>We had no reason to use our auditor powers.</p>
<b>Whole of Government Accounts and Certificate</b>	<p>We have not yet concluded the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission, as the NAO have not yet confirmed the final reporting position and whether any questions will be raised on individual returns. We cannot issue our Audit Certificate until these procedures are complete.</p>

# Executive Summary (cont'd)

## Value for money scope

Under the 2024 Code, 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. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria (see below) on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period.

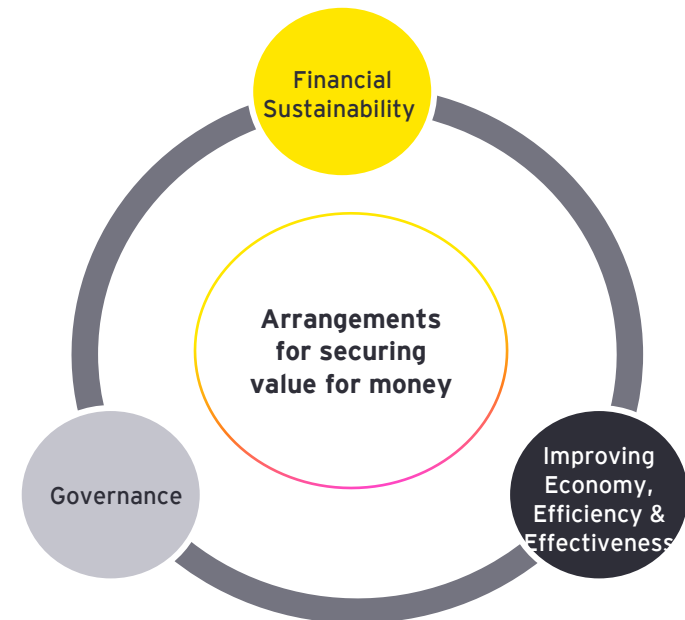
We do not issue a 'conclusion' or 'opinion', but where significant weaknesses are identified we will report by exception in the auditor's report on the financial statements.

The specified reporting criteria are:

- Financial sustainability - How the Council plans and manages its resources to ensure it can continue to deliver its services.
- Governance - How the Council ensures that it makes informed decisions and properly manages its risks.
- Improving economy, efficiency and effectiveness - How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

In undertaking our procedures to understand the body's arrangements against the specified reporting criteria, we identify whether there are risks of significant weakness which require us to complete additional risk-based procedures. AGN 03 sets out considerations for auditors in completing and documenting their work and includes consideration of:

- our cumulative audit knowledge and experience as your auditor;
- reports from internal audit which may provide an indication of arrangements that are not operating effectively;
- our review of Council committee reports;
- meetings with the Assistant Director Finance (Section 151 Officer);
- information from external sources; and
- evaluation of associated documentation through our regular engagement with Council management and the finance team.



# Executive Summary (cont'd)

## Reporting

Our commentary for 2024/25 is presented in Section 03. This section provides a summary of our understanding of the arrangements at the Council, as determined from our evaluation of the evidence obtained in relation to the three reporting criteria (see table below) throughout 2024/25 and up to the date of issuing this draft Auditor's Annual Report, which must be issued by 30 November. We have not identified any changes to this understanding from the date of the draft Auditor's Annual Report to the date of this final Auditor's Annual Report.

In compliance with the 2024 Code, we are required to provide commentary against the three specified reporting criteria. The table below outlines these criteria, indicates whether a significant risk of weakness was identified during our planning procedures, and details our current conclusions regarding any significant weaknesses within your arrangements.

Reporting criteria	Risks of significant weaknesses in arrangements identified?	Actual significant weaknesses in arrangements identified?
<b>Financial sustainability:</b> How the Council plans and manages its resources to ensure it can continue to deliver its services	No significant risks identified	No significant weakness identified
<b>Governance:</b> How the Council ensures that it makes informed decisions and properly manages its risks	No significant risks identified	No significant weakness identified
<b>Improving economy, efficiency and effectiveness:</b> How the Council uses information about its costs and performance to improve the way it manages and delivers its services	No significant risks identified	No significant weakness identified

# Executive Summary (cont'd)

## Independence

The FRC Ethical Standard requires that we provide details of all relationships between Ernst & Young (EY) and the Council, and its members and senior management and its affiliates, including all services provided by us and our network to the Council, its members and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on the our integrity or objectivity, including those that could compromise independence and the related safeguards that are in place and why they address the threats.

There are no relationships from 1 April 2024 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

## EY Transparency Report 2025

Ernst & Young (EY) has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes in place within EY for maintaining objectivity and independence can be found in our annual Transparency Report which the firm is required to publish by law. The most recent version of this Report is for the year end 30 June 2024:

[EY UK 2025 Transparency Report | EY - UK](#)



# 02

# Audit of financial statements

# Audit of financial statements

## Key findings

The 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.

Our audit of the 2024/25 financial statements is complete. We have reported our findings in our Audit Results Report to the February Governance and Audit Committee.

We have identified weaknesses in supporting information that have not enabled us to progress the audit as we initially planned. The commencement of the audit was delayed because of the quality of audit evidence for some significant account areas. We have been unable to complete all planned 2024/25 procedures for Balance Sheet - Property, Plant and Equipment, Balance Sheet - Investment Property, Balance Sheet - IFRS16 Lease; Balance Sheet - Reserves, CIES - Cost of Service Expenditure.

## Financial statement risks

Significant risk	Conclusion
Misstatements due to fraud or error - Management override of controls	We have not identified any material weaknesses in controls, evidence of management override, instances of inappropriate judgements being applied or significant unusual transactions.
Misstatements due to fraud or error - capitalisation of revenue expenditure	Our sample testing of additions to Property, Plant and Equipment found that they had been correctly classified as capital and included at the correct value. Our sample testing identified that £0.297 million of maintenance expenditure was incorrectly recorded in REFCUS which has been amended by the Council. Our data analytics procedures did not identify any movements from expenditure to capital outside of the normal course of business. Review of capital budget monitoring and outturn reports did not identify any unusual trends or significant under/overspends.
Significant risk - Accounting for Pension Valuation	We have completed our work in this area and have one error to report: Audit difference of £21.338 million in relation to an increase in the valuation of Pension Liability. The misstatement was due to the impact of the asset ceiling on the valuation of the Pension Liability. The adjustment was made due to updated information being provided by the Actuary, as part of the audit, after the draft Statement of Accounts had been prepared.
Significant risk - Valuation of Property, Plant and Equipment, and Investment Properties	We were unable to complete our planned procedures in this area due to the Council not providing working papers of the expected quality within the designated audit window. Additionally, several queries regarding valuation were submitted to the Council; however, Council was unable to provide supporting evidence for corroboration. We are therefore unable to gain assurance over the valuation of property, plant and equipment, and investment properties, and this limitation has contributed to our consideration that lead to a disclaimer of the 2024/25 financial statements.

# Audit of financial statements

## Financial Statement reporting assessment

Management, and the Governance and Audit Committee, as the Council's body charged with governance, have an essential role in supporting the delivery of an efficient and effective audit. Our ability to complete the audit is dependent on the timely formulation of appropriately supported accounting judgements, provision of accurate and relevant supporting evidence, access to the finance team and management's responsiveness to issues identified during the audit. The table over-page sets out our views on the effectiveness of the Council's arrangements to support external financial audit across a range of relevant measures.

Where we have been unable to undertake all planned procedures, this is likely to extend the timetable to recover assurance on the Council's financial statements.

In addition, the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance is set out on page 16. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.

# Audit of financial statements

## Financial Statement reporting assessment

Area	Status			Explanation	Further detail
	R	A	G		
Timeliness of the draft financial statements	Effective			The financial statements were published by the 30 <sup>th</sup> June 2025 deadline set out in the Accounts and Audit Regulations.	N/A
Quality and completeness of the draft financial statements	Effective			No material internal inconsistencies, typographical or arithmetic errors in the draft financial statements identified that should have been detected through internal quality review prior to publication.	N/A
Delivery of working papers in accordance with agreed client assistance schedule	Requires improvement			Working papers and requested evidence were not provided in line with the agreed timetable.	Regular discussions were held with the finance team to agree the additional supporting information required. This led to additional delays to the audit progress whilst the finance team prepared the working papers. We were then able to complete procedures. More significant issues were identified concerning the supporting evidence for key accounting estimates as reported below.
Quality of working papers and supporting evidence	Requires improvement			Working papers and supporting evidence were generally not to the expected standard.	
Timeliness and quality of evidence supporting key accounting estimates	Ineffective			<p>Significant delays were experienced in the provision of supporting evidence from the Council and Council's valuer for the valuation of Property, Plant and Equipment and Investment Property assets. The quality of working papers, evidence, and explanations provided was not to the required standard.</p> <p>These weaknesses also impacted our ability to complete planned procedures concerning IFRS 16 leases.</p>	<p>We were unable to complete all our planned procedures.</p> <p>We will work with the finance team to help improve the quality of working papers and supporting evidence for the 2025/26 audit.</p>

# Audit of financial statements

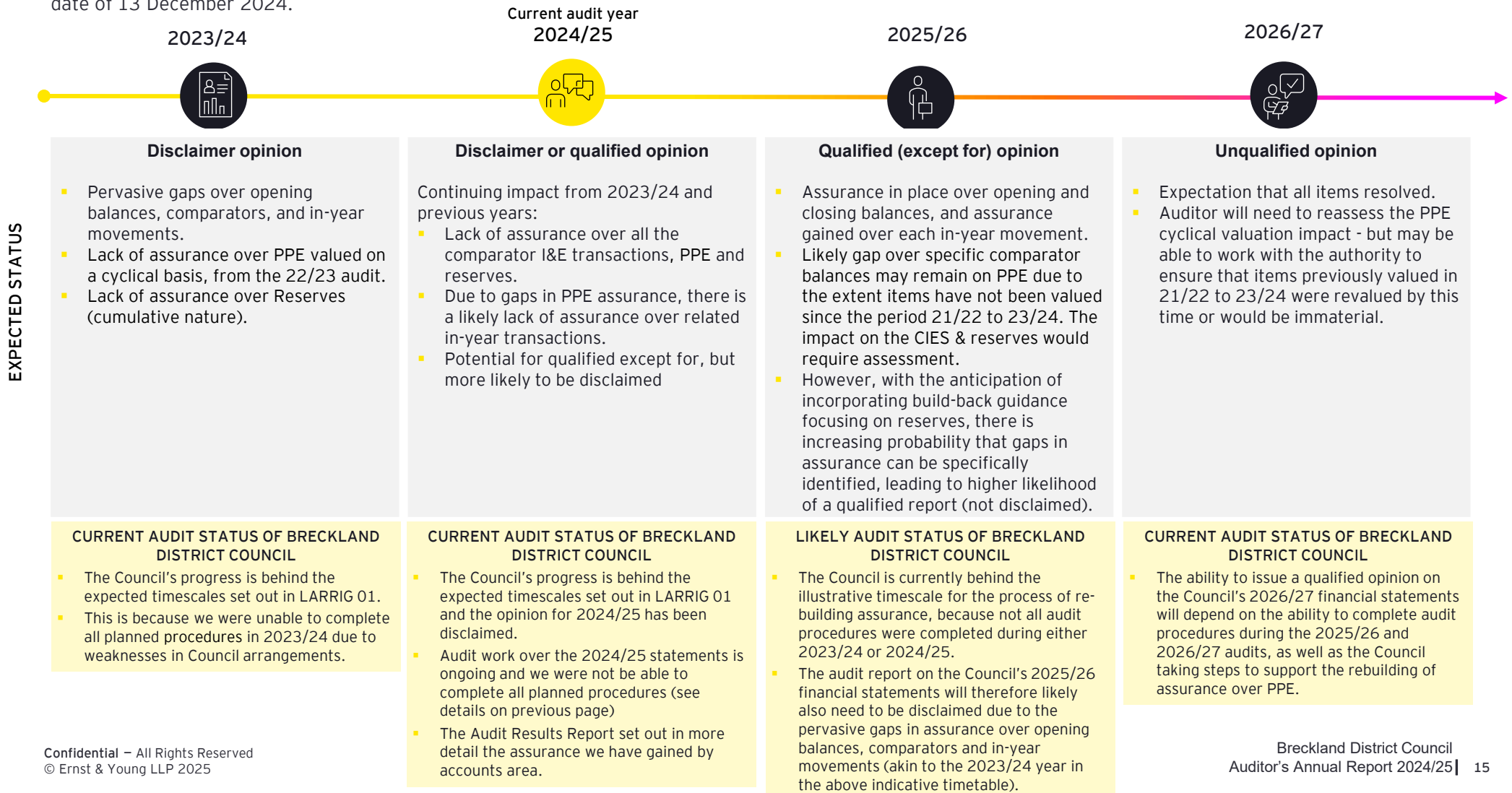
## Financial Statement reporting assessment

Area	Status			Explanation	Further detail
	R	A	G		
Access to finance team and personnel to support the audit in accordance with agreed project plan	Requires improvement			<p>The Accountancy Manager and Deputy Section 151 Officer left the Council just before the year-end audit. Although the Council engaged temporary resources to meet the audit requirements, the loss of knowledge contributed to delays during the audit.</p> <p>There were no issues with access to the finance team and key personnel.</p>	We expect to raise a scale fee variation in respect of this.
Volume and value of identified misstatements and disclosure amendments	Requires improvement			A large number of material misstatements and disclosure amendments were detected as a result of our work which were corrected by management.	We expect to raise a Scale Fee variation in respect of the additional work required.

# Audit of financial statements

## Progress to full assurance

Set out below is the illustrative timescale for the process of re-building assurance set out in the NAO's Local Audit Reset and Recovery Implementation Guidance (LARRIG) 01, together with our view of the Council's actual progress against that timescale, the reasons for that and what still needs to be done to successfully rebuild assurance. The timetable set out in LARRIG 01 assumes that disclaimers for 2022/23 and all prior open audit years were issued by the statutory backstop date of 13 December 2024.





# 03

# Value for Money commentary

# Value for Money

## The Council's responsibilities for value for money

The Council is required to maintain an effective system of internal control that supports the achievement of its policies, aims and objectives while safeguarding and securing value for money from the public funds and other resources at its disposal.

As part of the material published with the financial statements, the Council is required to bring together commentary on the governance framework and how this has operated during the period in a governance statement. In preparing the governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements of the relevant accounting and reporting framework and having regard to any guidance issued in support of that framework. This includes a requirement to provide commentary on arrangements for securing value for money from the use of resources.

## Our responsibilities

Under the revised NAO Code 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. The Code requires the auditor to design their work to provide them with sufficient assurance to enable them to report to the Council a commentary against specified reporting criteria on the arrangements the Council has in place to secure value for money through economic, efficient and effective use of its resources for the relevant period. Our summary is below:

	Significant risk identified	Significant weakness identified
 <p><b>Financial sustainability</b> How the Council plans and manages its resources to ensure it can continue to deliver its services.</p>	<ul style="list-style-type: none"> <li>No significant risk identified.</li> </ul>	<ul style="list-style-type: none"> <li>No significant weakness identified.</li> </ul>
 <p><b>Governance</b> How the Council ensures that it makes informed decisions and properly manages its risks.</p>	<ul style="list-style-type: none"> <li>No significant risk identified.</li> </ul>	<ul style="list-style-type: none"> <li>No significant weakness identified.</li> </ul>
 <p><b>Improving economy, efficiency and effectiveness</b> How the Council uses information about its costs and performance to improve the way it manages and delivers its services.</p>	<ul style="list-style-type: none"> <li>No significant risk identified.</li> </ul>	<ul style="list-style-type: none"> <li>No significant weakness identified.</li> </ul>



# VFM commentary: Financial Sustainability

## Financial sustainability: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Financial Sustainability sub-criteria set out in AGN03:

- How the body ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- How the body plans to bridge its funding gaps and identifies achievable savings;
- How the body plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;
- How the body ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- How the body identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

## Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for financial sustainability. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to financial sustainability are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 to plan and manage its resources to ensure it can continue to deliver its services.

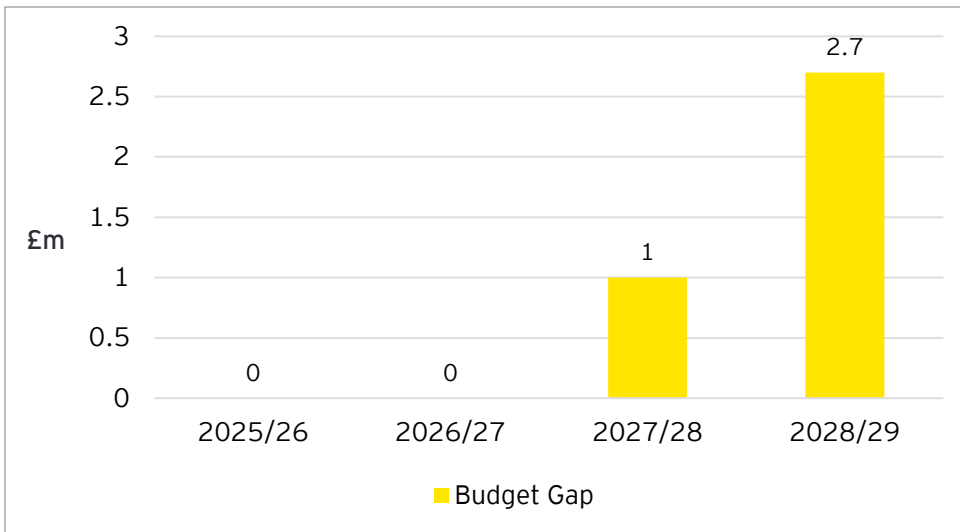


# Financial Sustainability considerations

## Medium Term Financial Strategy

In February 2025, Breckland District Council presented its updated Medium Term Financial Strategy (MTFS) for 2025/26 to 2028/29. The Strategy highlights the continuing financial uncertainty across the local government sector and confirms that a significant pressure on residents and services persists due to the current economic challenges. Breckland's planning identifies key challenges including inflationary pressures, funding cuts, demographic changes, and ongoing uncertainty around future government funding reforms expected in 2026-27. The Council also faces rising demand for temporary accommodation and homelessness support, alongside cost pressures from waste management changes and reduced income streams. Despite these pressures, Breckland has set a budget that protects frontline services, reallocates funding to areas of greatest demand, and continues investment in corporate priorities. The plan assumes annual Council Tax increases of £4.95 for Band D properties and outlines an efficiency programme to deliver savings over the medium term. The Council states the budget can remain balanced till 2027-28 if efficiency targets are met and assumptions hold. From 2027-28 further savings will be required, however the level of these savings is dependent on the funding reforms and further financial modelling.

## Exhibit A: The Council's MTFS outlines a cumulative gap of £3.7 million by 2028/29





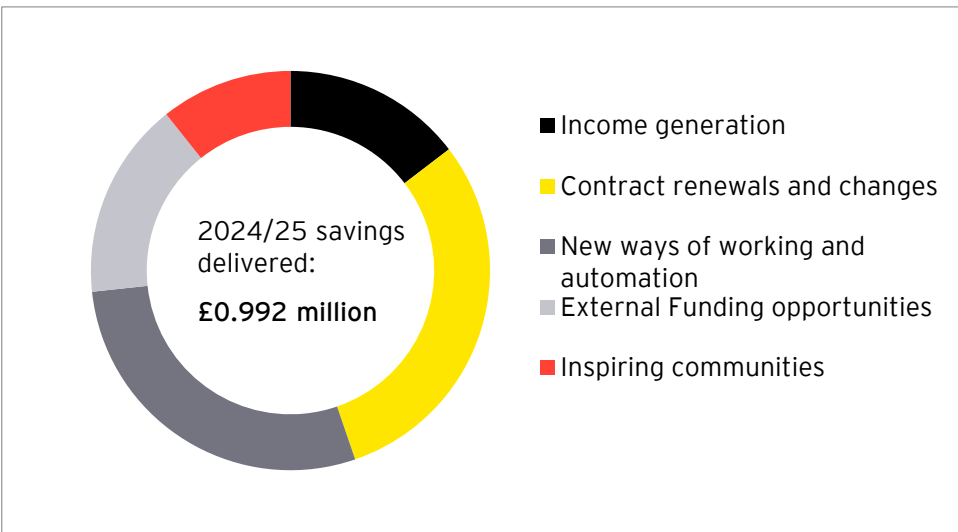
# Financial Sustainability considerations

## Savings plans

The Council's 2024/25 budget relied on the delivery of savings of £0.976 million. The Council reports that it achieved £0.992 million, 102% of planned savings for 2024/25. The achievement of savings was reported to Cabinet in the budget monitoring report 23 June 2025.

The financial report for the year ended 31 March 2026 presented to the Overview and Scrutiny Commission 23 October 2025 incorporates a savings target of £0.897 million focusing on income generation, contract renewals and changes and new ways of working and automation.

## Exhibit B: The Council delivered £0.992 million, 102% of planned savings for 2024/25



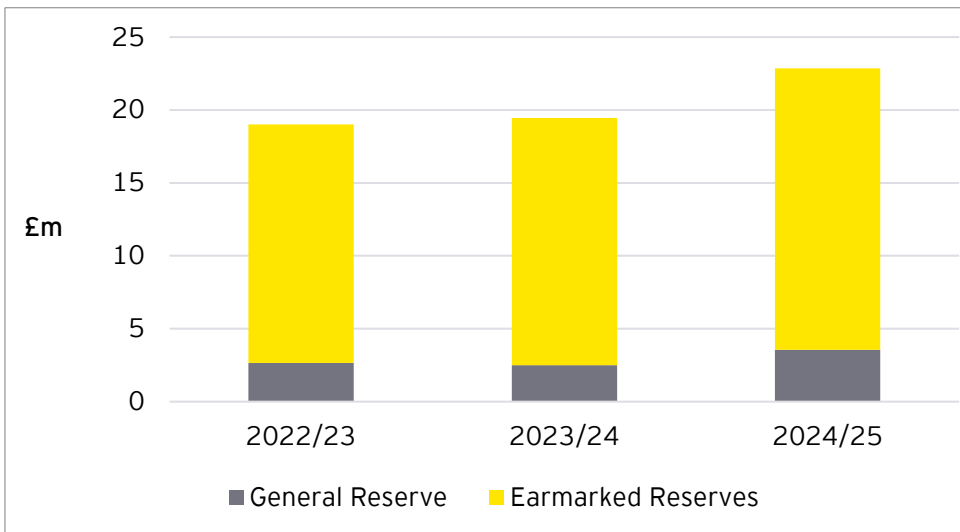


# Financial Sustainability considerations

## Reserves position

The Council approved the Reserves Strategy in the 2025/26 budget. The Council's Reserves Strategy outlines that the minimum reserves to be held as uncommitted general fund balances is £2.5 million. This is 12% of the Council's net expenditure for 2024/25 of approximately £21 million. The Council reported a revenue outturn of £16.646 million for 2024/25. This increased the Council's general fund balance to £3.6 million as at 31 March 2025. The Council continue to maintain the general fund reserves above the approved minimum level set. From April 2023 to April 2025, the Council's total earmarked reserves increased by £3 million, to £19.303 million. This provides a level of headroom, should future saving requirements as set out on the MTFs not be achieved, to allow the Council to continue to deliver services.

## Exhibit C: The Council's unallocated General Reserve continued to increase by £1 million in 2024/25





# VFM commentary: Governance

## Governance: Our audit procedures

Our audit procedures obtained assurance over the arrangements in place for the Governance sub-criteria set out in AGN03:

- How the body monitors and assesses risk and how the body gains assurance over the effective operations of internal controls, including arrangements to prevent and detect fraud;
- How the body approaches and carries out its annual budget setting process;
- How the body ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed, including in relation to significant partnerships;
- How the body ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- How the body monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer and member behaviour (such as gifts and hospitality or declarations/conflicts of interests), and for example where it procures or commissions services.

## Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's governance arrangements. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to governance are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, we have not identified any significant weaknesses in the Council's 2024/25 arrangements to make informed decisions and properly manage its risks.

We did consider the Council's arrangements concerning financial reporting, given the number of areas that we have identified as requiring improvement on pages 13 and 14, however we did not assess this as a significant weakness for 2024/25. We will review arrangements in 2025/26 to ensure the Council have made appropriate improvements.



# Governance considerations

## Annual Governance Statement

We reviewed the framework for the preparation of the Annual Governance Statement (AGS). The process, as designed, is adequate to enable the Council to report on the design and operation of arrangements that ensure sound governance, effective resource and risk management, and robust internal controls.

The Council's Annual Governance Statement sets out the core governance arrangements for the year, including an Action Plan to address previously identified matters, which demonstrates how the Council's Code of Governance reflects the seven principles of good governance.

The Head of Internal Audit's opinion on the framework of risk management, governance, and internal control for the 2024/25 financial year was reasonable/substantial assurance.

## Risk Management

Breckland District Council's Risk Management Framework sets out a structured approach to identifying and managing risks that could affect objectives or service delivery. The Governance and Audit Committee monitors the effectiveness of the risk management framework. The Corporate Management Team (CMT) holds overall responsibility for embedding risk management into planning and operations. Risks are recorded in the Corporate Risk Register and categorized as strategic or operational, with regular reviews to maintain an up-to-date position.

The Performance, Risk and Audit Board oversees reporting and alignment with corporate priorities. A 5x5 scoring matrix and heat maps are used to assess likelihood and impact, supported by escalation procedures for significant risks. All officers and elected members share responsibility for identifying and managing risks within their areas. The framework is reviewed every two years to maintain compliance with best practice and governance standards.



# Governance considerations

## Internal audit arrangements, including arrangements to prevent and detect fraud

Breckland District Council's internal audit service operates under Global Internal Audit Standards and provides independent assurance on governance, risk management, and internal controls. The annual audit plan is risk-based, aligned to the Corporate Risk Register and key financial systems. Internal audit reports are issued to senior management with recommendations, and progress is monitored through the Governance and Audit Committee. The Head of Internal Audit delivers an annual opinion on the adequacy and effectiveness of arrangements, supporting the Annual Governance Statement. Follow-up audits ensure agreed actions are implemented, and performance is tracked against KPIs. Independence is maintained by reporting directly to senior management and the Governance and Audit Committee, ensuring transparency and accountability. This structure underpins continuous improvement and safeguards public funds.

Within the Internal Audit Opinion for 2024/25, the Head of Internal Audit noted that there are three agreed actions that are overdue in 2024/25, where two recommendations are urgent and one routine. The two overdue urgent recommendations relate to Contract and Procurement and Private Sector Housing. For Contract and Procurement, the recommendation focuses on strengthening governance and ensuring adherence to procurement regulations. In Private Sector Housing, the issue involves strengthening oversight and controls to reduce risk exposure.

The Council and Internal Audit should continue to ensure that all outstanding actions are being monitored with the action owners on a regular basis, and that all overdue actions are reported to the Governance and Audit Committee.

The offence of failing to prevent fraud, as introduced by the Economic Crime and Corporate Transparency Act 2023, became effective on 1 September 2025. The Home Office has published statutory guidance (most recently updated in October 2025) which organisations must consider. This guidance outlines the core principles for establishing, reviewing, or enhancing anti-fraud procedures. The Council has reviewed its existing fraud policy and procedures against the latest Home Office guidance. An overview of the Act was provided by the ARP Fraud team to the Norfolk Finance Officers group to highlight key areas and risks. These were considered and reflected in policy updates taken to the Governance and Audit Committee in February 2025.

## Reporting Arrangements

The Council published their progress 2024/25 financial statements for audit before the 30 June 2025 deadline, in line with the Audit and Accounts regulations, and advertised and held an inspection period for members of the public, again in line with these regulations.

We did consider the Council's arrangements concerning financial reporting, given the number of areas that we have identified as requiring improvement on pages 13 and 14, however we did not assess this as a significant weakness for 2024/25.

We will review arrangements in 2025/26 to ensure the Council have made appropriate improvements.



# Governance considerations

## Informed decision making and member challenge

This commitment to transparency and regulatory compliance is also reflected in the Council's approach to broader governance processes. In particular, the Council ensures that information presented to decision-makers is clear, comprehensive, and in a consistent format. To support this, committee papers are prepared following a proforma template which considers all the key implications of the report in question. This includes consideration of background, expected benefits, recommendations, implications, and whether there are any wards or communities affected by the decision.

Full Council is the key decision-making body of the Council. Every elected member of the Council can attend these meetings and has a vote on all decision items. A decision also requires a majority of voting members approval to be passed.

For all other Committees of the Council, there is a 5-day call-in for decisions that are made, which allows Members that do not sit on those Committees to challenge the decisions passed by them. A Member or Members can also ask for any item to be discussed at the Overview and Scrutiny Committee.

The Governance and Audit Committee meets quarterly, and there is an extra meeting in July to review the draft financial statements. This Committee is comprised of appropriately skilled and experienced members (including an independent member) and has clear terms of reference. There is a standing item on the agenda around training, whereby Members can request for additional training should they require it.

## Local Government Reorganisation

Local Government Reorganisation is expected to pose challenges for local authorities. During this period of change, the Council must maintain essential services and fulfil statutory duties. According to the Ministry of Housing, Communities, and Local Government (MHCLG) guidance issued in July 2025, decisions made by the Council prior to reorganisation regarding ongoing service delivery and the medium-term financial strategy should focus on providing value for money for taxpayers and avoid limiting future decisions or sustainability of new councils.

The government has stated that it will issue directions under section 24 of the 2007 Act after Structural Changes Orders are made, specifying a person authorised to give consent on relevant matters and outlining how this authority should be exercised. MHCLG has noted these directions will follow previous precedents, requiring written consent from the successor council for land disposals and contracts exceeding a specified value.

To comply with MHCLG guidance and forthcoming directions, councillors and statutory officers need to be aware of their responsibilities and ensure that appropriate accounting and governance systems are maintained.

The Council have submitted a proposal for Local Government Reorganisation. This was approved by the Full Council and submitted to the Minister in March 2025 and a full business case was approved by the Full Council and submitted in September 2025. Central Government also ran an eight-week public consultation from 17 February to 13 April 2025 on its proposals to establish a Mayoral Combined County Authority which would include the areas of Norfolk County Council and Suffolk County Council. The Council approved its formal response in Full Council meeting March 2025 and submitted thereafter.



# VFM commentary: Improving economy, efficiency and effectiveness

## Improving economy, efficiency and effectiveness: Our audit procedures

Our audit procedures include:

- How financial and performance information has been used to assess performance to identify areas for improvement;
- How the body evaluates the service it provides to assess performance and identify areas for improvement;
- How the body ensures it delivers its role within significant partnerships and engages with stakeholders it has identified, in order to assess where it is meeting its objectives; and
- Where the body commissions or procures services, how it assesses whether it is realising the expected benefits.

## Significant risks identified during planning procedures

Within our Audit Planning Report, we identified no risks of a significant weakness in the Council's arrangements for improving economy, efficiency and effectiveness. In prior years, no significant weaknesses were identified and there are no outstanding recommendations relating to prior years. The Council's underlying arrangements in relation to improving economy, efficiency and effectiveness are not significantly different in 2024/25.

## Overview of our conclusions

Based on the work performed, the Council had proper arrangements in place in 2024/25 in how it uses information about its costs and performance to improve the way it manages and delivers its services.



# Improving economy, efficiency and effectiveness considerations

## Financial and performance information

Cabinet reviews the quarterly financial performance reports, and any overspending against budget would be challenged in that forum. The Governance and Audit Committee and the Overview and Scrutiny Committee also receive quarterly performance reports which look at several key strategic indicators and outlines performance against these. Performance metrics from each quarter are compared and measured against the targets set by management in areas like customer engagement, information and feedback, environment and community, housing and homelessness, employee workforce, public protection, economy and growth, and planning provision. Where performance falls below target, these reports highlight the action being taken to address the required improvement.

The Council launched its new Corporate Plan which directs the vision, principles, and strategic objectives of the Council between 2024 to 2028. It builds on the achievements of the previous plan launched in 2021 and is intended to update the Council's priorities to reflect a new political leadership team and a changed set of local circumstances. This includes tackling the challenges of major cost of living pressures and constraints on public spending; whilst seeking to position the District to benefit from the opportunities of rapidly changing technology and the national economy. The Corporate plan sets out three key priorities:

- ▶ Inspiring Communities: Enabling everyone to lead happy, healthy and fulfilling lives,
- ▶ Thriving Places: Creating opportunities for skilled jobs and economic growth,
- ▶ Working Smarter 2035: Protecting the environment - now and for future generations; and putting customers first by delivering quality, value-for-money services that meet their needs.

Performance reporting is undertaken against these key criteria, with regular reporting on both performance and finances taken to the Overview and Scrutiny Committee, and to the Governance and Audit Committee throughout the year to continuously monitor and challenge the Council's performance. The Council also publish a separate Annual Report which sets out the progress that has been made against the Corporate Plan objectives. This performance information is available to the public but also allows for key information to be considered as part of decision making on service delivery.

## Procurement and contract management

The Constitution of the Council delineates the rules and processes required for acquiring services and specifies the powers delegated to individuals and Committees to act on behalf of the Council. A dedicated Procurement department exists, tasked with providing guidance on procurement matters, managing procurement procedures, and ensuring adherence to the Council's established protocols.



# Improving economy, efficiency and effectiveness considerations

## Partnership working

The Council has a partnership in the Anglia Revenues Partnership (ARP). There is a joint committee for ARP with representatives from each of the five Councils that constitute the Partnership. The Joint Committee meets quarterly, and they consider performance against key areas, they monitor the ARP risk register and consider any other items of relevance to their service delivery.

Breckland Bridge is the Council's main subsidiary (and parent of 4 further subsidiaries), which was formed Land Group LLP on a 50/50 basis. The vision of the Company is to use Breckland Council's property and land assets to make a positive contribution to the regeneration and economic development of the Breckland District. The Council monitors performance through reviewing the annual plan and receive quarterly financial updates, in addition financial updates are also made to Council's nominated Directors for the company, these are Council officers.

For other partnerships, the Council holds a Partnership Register, which records the key details of what service is being provided, the key partners involved and the reporting framework around the partnership. On an annual basis, members will be appointed to outside bodies and partnerships as the Council's representative.



# 04 Appendices

# Appendix A – Recommendations from current year

## Recommendations from 2024/25

The table below sets out the recommendations arising from the value for money work for the year 2024/25. All recommendations have been agreed by management.

Issue	Recommendation	Management response
<p>During the audit, responses to requests were often delayed, working papers were not of expected quality and supporting evidence was frequently inadequate. In several cases, responses did not fully address the questions, further limiting our ability to obtain necessary assurance.</p> <p>Additionally, for complex areas such as judgements and estimates, there was a notable absence of references to the CIPFA Code of Practice or relevant Accounting Standards, which are essential for ensuring compliance and transparency in financial reporting. These control weaknesses collectively led to substantial slippage in the agreed project plan and resulted in the inefficient use of planned audit resources. Consequently, we were unable to conclude on certain areas of the audit, meaning we cannot provide assurance over these aspects, and this has contributed to our consideration of disclaiming the audit opinion.</p>	<p>The Council should review its approach to preparing financial statements and supporting the audit process in the following areas:</p> <p>Management should implement robust processes to produce high-quality financial statements, supported by working papers which are accurate, well-referenced and contain complete transactional breakdowns. The processes should allow for sufficient and appropriate internal review before the publication deadline.</p> <p>In addition, management should also continue to work with the audit team leads to ensure responses to audit requests and queries are provided on a timely basis and include appropriate supporting evidence which reduces the need for further follow-ups.</p>	<p>Management acknowledges the challenges experienced during the 2024/25 audit and recognizes the impact that delayed responses, evidence gaps and changes in historic processes had on audit progress. Significant improvements are already underway, including strengthened working-paper standards, earlier preparation of complex areas, use of the CIPFA Disclosure Checklist, and closer engagement with valuers and auditors. The Finance Team has responded to a high volume of audit requests while delivering the accounts and will continue to refine processes to ensure clearer audit trails, more timely information, and full compliance with the CIPFA Code. Management remain committed to progressing all amber and red areas to green.</p>

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