

# Governance, Risk and Audit Committee



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06 June 2022

A meeting of the **Governance, Risk and Audit Committee** of North Norfolk District Council will be held in the **Council Chamber - Council Offices** on **Tuesday, 14 June 2022 at 2.00 pm**.

At the discretion of the Chairman, a short break will be taken after the meeting has been running for approximately one and a half hours

Members of the public who wish to ask a question or speak on an agenda item are requested to notify the committee clerk 24 hours in advance of the meeting and arrive at least 15 minutes before the start of the meeting. This is to allow time for the Committee Chair to rearrange the order of items on the agenda for the convenience of members of the public. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel: 01263 516047, Email: [matthew.stembrowicz@north-norfolk.gov.uk](mailto:matthew.stembrowicz@north-norfolk.gov.uk).

Anyone attending this meeting may take photographs, film or audio-record the proceedings and report on the meeting. Anyone wishing to do so must inform the Chairman. If you are a member of the public and you wish to speak on an item on the agenda, please be aware that you may be filmed or photographed.

Please note that Committee members will be given priority to speak during the debate of agenda items

**Emma Denny**  
**Democratic Services Manager**

**To:** Mr J Rest, Mr S Penfold, Mr C Cushing, Mr H Blathwayt, Dr P Bütikofer and Mr P Fisher

All other Members of the Council for information.

Members of the Management Team, appropriate Officers, Press and Public



**If you have any special requirements in order  
to attend this meeting, please let us know in advance**

If you would like any document in large print, audio, Braille, alternative format or in a different language please contact us

**Chief Executive:** Steve Blatch

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## A G E N D A

### 1. TO RECEIVE APOLOGIES FOR ABSENCE

### 2. SUBSTITUTES

### 3. PUBLIC QUESTIONS

To receive public questions, if any.

### 4. ITEMS OF URGENT BUSINESS

To determine any items of business which the Chairman decides should be considered as a matter of urgency pursuant to section 100B(4)(b) of the Local Government Act 1972.

### 5. DECLARATIONS OF INTEREST

1 - 6

Members are asked at this stage to declare any interests that they may have in any of the following items on the agenda. The code of conduct for Members requires that declarations include the nature of the interest and whether it is a disclosable pecuniary interest.

### 6. MINUTES

7 - 30

To approve as a correct record, the minutes of the meeting of the Governance, Risk & Audit Committee held on 8<sup>th</sup> March 2022, and 26<sup>th</sup> April 2022.

### 7. PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY: 26 FEBRUARY 2022 TO 6 JUNE 2022

31 - 56

Summary: This report examines the progress made between 26 February 2022 to 6 June 2022 in relation to delivery of the annual internal audit plan for 2021/22.

Conclusions: The report contains a final update on progress against the Internal Audit Plan for 2021/22.

**Recommendations:** It is recommended that the Committee notes internal audit progress within the period covered by the report.

Cabinet member(s):

All

Contact Officer, telephone number, and e-mail:

Ward(s) affected:

All

Faye Haywood

01508 533873

[faye.haywood@southnorfolkandbroadland.gov.uk](mailto:faye.haywood@southnorfolkandbroadland.gov.uk)

## 8. ANNUAL REPORT AND OPINION 2021/22

57 - 78

**Summary:** This report concludes on the internal audit activity undertaken during 2021/22, it provides an annual opinion concerning the organisation's framework of governance, risk management and control and concludes on the effectiveness of internal audit and provides key information for the annual governance statement.

**Conclusions:** On the basis of Internal Audit work performed during 2021/22, the Head of Internal Audit is able to give a reasonable (positive) opinion on the framework of governance, risk management and control overall at North Norfolk District Council.

**Recommendations:**

1. **Receive and consider the contents of the Annual Report and Opinion of the Head of Internal Audit.**
2. **Note that a reasonable audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2022.**
3. **Note that the opinions expressed together with significant matters arising from internal audit work and contained within this report should be given due consideration, when developing and reviewing the Council's Annual Governance Statement for 2021/22.**
4. **Note the conclusions of the Review of the Effectiveness of Internal Audit.**

**Cabinet member(s):** Ward(s) affected:  
All All  
**Contact Officer,** Faye Haywood, Head of Internal Audit  
**telephone number,** 01508533873,  
**and e-mail:** [faye.haywood@southnorfolkandbroadland.gov.uk](mailto:faye.haywood@southnorfolkandbroadland.gov.uk)

## 9. LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT (AGS) 2021/22

79 - 136

**Summary:** The Corporate Governance framework is made up of the systems and processes, culture and values by which an organisation is directed and controlled. For local authorities this includes how a Council relates to the community it serves. The Local Code of Corporate Governance is a public statement of the ways in which the Council will achieve good corporate governance. This is based on the

development of the ‘*Delivering Good Governance in Local Government: Framework*’ (2016) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) and focusses on the seven core principles and sub-principles of good governance. The Annual Governance Statement (AGS) is prepared following a review of all the evidence available to the Council in seeking compliance with its Local Code. An Internal Audit review of the AGS was completed in January 2022 and achieved a ‘reasonable’ assurance level, the recommendations from that audit have been incorporated into the 2021/22 Statement. As with last year, both of these documents have been considered in light of the ongoing Covid-19 pandemic.

**Conclusions:** The arrangements set out in the Local Code of Corporate Governance and the Annual Governance Statement (AGS) will allow the Council to move ahead with its corporate planning processes confident that it can address the issues of governance and risk.

**Recommendations:** **Members are asked to review and approve the Annual Governance Statement (AGS) along with the updated Local Code of Corporate Governance.**

Cabinet Member(s)      Ward(s) affected

Cllr Eric Seward      All

Contact Officer, telephone number and email:  
Cara Jordan, 01263 516373, [cara.jordan@north-norfolk.gov.uk](mailto:cara.jordan@north-norfolk.gov.uk)

## 10.      **UPDATED FRAUD POLICY AND FRAUD RISK ASSESSMENT**

137 - 180

**Summary:** The assurance review of Counter Fraud and Corruption (NN/22/04) was completed in March 2022 by Internal Audit and was given a ‘limited assurance’ level, although it should be noted that this was the same position across the whole audit consortium.

The main reason for this is that since resources previously allocated for the detection of fraud (2 x FTEs) were transferred to the DWP in April 2015 the Council has not had a dedicated fraud resource to lead on this area of work and whilst all officers have a responsibility to try to detect and mitigate fraud the Council no longer has any dedicated staffing to give this area the focus it requires.

The audit report made a number of recommendations designed to help strengthen the Council's approach to fraud and corruption.

The purpose of this report is to consider the recommendations contained within the audit report and make Members aware of the current fraud trends affecting the public sector. The report also contains the Council's fraud risk assessment that has been undertaken and the update to the Anti-fraud and Corruption Policy.

**Conclusions:**

It is clear that there are improvements which can be made in relation to increasing fraud awareness across the Council. A number of improvements have been recommended as part of the fraud assessment process contained within this report. Implementation of the recommendations and improvements proposed will help address the issues identified within the recent audit.

**Recommendations: The committee is requested to;**

1. **Approve the updated Fraud and Anti-Corruption Policy;**
2. **Note the associated Fraud Risk Assessment for 2021/22;**
3. **Note the recommended improvement actions; and**
4. **Note the progress on the audit actions.**

Cabinet Member(s) Cllr E Seward	Ward(s) affected: All
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**11. CORPORATE RISK REGISTER**

181 - 216

To review and note the corporate risk register.

**12. PROCUREMENT EXEMPTIONS REGISTER 217 - 218**

To review and note the procurement exemptions register.

**13. GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST 219 - 220**

To monitor progress on items requiring action from the previous meeting, including progress on implementation of audit recommendations.

**14. GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME 221 - 224**

To review the Governance, Risk & Audit Committee Work Programme.

**15. EXCLUSION OF THE PRESS AND PUBLIC**

To pass the following resolution, if necessary:

“That under Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph \_ of Part I of Schedule 12A (as amended) to the Act.”