

Governance, Risk and Audit Committee



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Monday 5th June 2023

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, 13 June 2023** 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.

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: Cllr J Toye, Cllr J Boyle, Cllr S Penfold, Cllr C Cushing, Cllr E Spagnola and Cllr L Vickers

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 - 14

To approve as a correct record, the minutes of the meeting of the Governance, Risk & Audit Committee held on 7th March 2023.

7. INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT

15 - 54

Summary: This report examines the progress made between 26 November 2022 to 30 May 2023 in relation to delivery of the Annual Internal Audit Plan for 2022/23 and provides details of any outstanding internal audit recommendations.

Conclusions: The report contains an update on progress against the Internal Audit Plan for 2022/23 and progress against the completion of internal audit recommendations.

Recommendations: It is recommended that the Committee receives internal audit progress and progress against internal audit recommendations 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@southnorfolk

8. INTERNAL AUDIT ANNUAL REPORT & OPINION 2022/23

55 - 74

Summary: This report concludes on the internal audit activity undertaken during 2022/23, 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 2022/23, 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 2023.
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 2022/23.
4. Note the conclusions of the Review of the Effectiveness of Internal Audit.

Cabinet member(s):

All

Contact Officer, telephone number, and e-mail:

Ward(s) affected:

All

Faye Haywood, Head of Internal Audit

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andbroadland.gov.uk

9. **PURCHASE OF TWO ADDITIONAL REFUSE COLLECTION VEHICLES**

75 - 82

Purchase of two additional refuse collection vehicles	
Executive Summary	This report outlines the requirement for allocation of capital funding for the purchase of two new refuse collection vehicles for the commercial and garden waste collection services delivered by Serco on behalf of the Council. These services have experienced significant customer growth over the last few years and are at a point whereby additional vehicles are required to ensure that the Council can continue to meet customers' expectations and deliver its statutory duties around domestic and commercial waste collections.
Options considered	<p>Do nothing – this would result in a deteriorating service level and loss of customers resulting in lost income for the Council.</p> <p>Hiring additional vehicles – deemed poor value for money.</p> <p>Purchasing second-hand vehicles – no availability of suitable vehicles.</p> <p>Contractor purchasing vehicles – poor value for money and not in line with current fleet.</p>
Consultation(s)	The proposal has been drawn up in conjunction with Serco who have recommended the provision of the additional vehicles and will look to factor their use in to a future round reorganisation.
Recommendations	<p>That Cabinet recommend to full Council an addition to the Capital programme of £385,000 to purchase two new refuse collection vehicles and that the £385,000 be added to the residual £65,000 that is left over from the original budget to purchase refuse vehicles from 2019 to date.</p> <p>That Cabinet recommend to full Council that the purchase be funded by borrowing of £335,000 and a revenue contribution of £50,000.</p>
Reasons for recommendations	To ensure the Council can meet customers' expectations and provide a service that can keep up with the continuing increase in demand for garden and commercial waste collection services. To ensure statutory duties around waste collection can be fulfilled. To

	support the future growth in revenue generating services.
Background papers	None

Wards affected	All
Cabinet member(s)	Cllr. Callum Ringer
Contact Officer	Scott Martin, Environment and Safety Manager, scott.martin@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	N/A
Medium Term Financial Strategy (MTFS)	The provision of additional resources on the revenue generating garden and commercial waste services will enable a better level of service delivery and help achieve future customer and revenue growth, supporting the MTFS.
Council Policies & Strategies	None

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Is the item exempt, if so, state why.
Details of any previous decision(s) on this matter	N/A

10. CORPORATE RISK REGISTER

83 - 104

To review and note the Corporate Risk Register and consider any necessary recommendations.

COUNTER-FRAUD, CORRUPTION AND BRIBERY UPDATE	
Executive Summary	This counter-fraud update report informs on the Council's arrangements in the fight against fraud and corruption and recent work undertaken to identify how we are addressing and mitigating risk. The Governance Risk and Audit Committee ("GRAC") is informed of the Council's recent incidences of potential fraud and mitigation applied; of a counter fraud checklist and resulting action plan.
Options considered	Whilst this report is intended for general note, GRAC may wish to consider or further review the checklist and risk/mitigation measures.
Consultation	In preparing this report, managers whose area of work presents a higher risk of fraud have been liaised with. These officers have fed into the 'fighting fraud checklist' and have provided information about incidences of potential fraud in the last 12 months. Additionally, there has been consultation with the Chief Financial Officer ("s.151 officer"); Internal Audit Manager, the Council's Management Team, the Corporate Leadership Team ("CLT") and all key officers at the Council whose role is detailed on the attached checklist.
Recommendations	<ol style="list-style-type: none"> 1. To note the update report 2. To review and note the checklist 3. To review and note the action plan 4. To note the fraud assessment update which includes incidences of potential fraud
Reasons for recommendations	To deliver the corporate action plan aims with regard to cost versus risk considerations and with a view to keep our establishment at reasonable and affordable levels whilst addressing the risk of fraud.
Background papers	<p>Appendix A – Fighting Fraud and Corruption Locally -Checklist.</p> <p>Appendix B – Action Plan ensuing from checklist</p> <p>Appendix C – Last Year's Fraud Risk Assessment (2022/23)</p> <p>Appendix D – Corporate Anti-Fraud Action Plan</p>
Links to key documents	<p>Appendix E – Table considering risk areas identified in the 2022/23 Fraud Risk Assessment, and incidences of potential Fraud at NNDC</p> <p>FFCL - Strategy for the 2020's.pdf (cifas.org.uk)</p>

	Tackling fraud and corruption against government (nao.org.uk)
Wards affected	All
Cabinet Members	Clr Shires
Contact Officer: Cara Jordan, AD Finance Assets Legal cara.jordan@north-norfolk.gov.uk Tel 01263 516373	

Corporate Plan:	Financial Sustainability and Growth
Medium Term Financial Strategy (MTFS)	Proposals not linked to the MTFS
Council Policies & Strategies	Counter Fraud, Corruption and Bribery Policy 2022 Counter Fraud, Corruption and Bribery Strategy

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	<p>Exempt paper - Appendix E(i)</p> <p>For the following reason</p> <p>Information in Appendix E(i) involves the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3, Part 1 of schedule 12A (as amended) to the Local Government Act 1972. These paragraphs relate to:</p> <ol style="list-style-type: none"> 1. information relating to an individual; 2. information which is likely to reveal the identity of an individual; and 3. information relating to the financial or business affairs of any particular person (including the authority holding that information). <p>The public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:</p> <p>Paragraphs 1 & 2: Some incidents detailed in Appendix E(i) relate to one or few individuals whose data protection rights outweigh the public interest in disclosure.</p> <p>Paragraph 3: There are details and amounts of incidences of loss or potential loss in Appendix E(i), as well as detailed information as to how the Council is addressing this. To provide this information to the public may compromise the Council in its aim in protecting its funds for the benefit of the District.</p>
Details of any previous decision(s) on this matter	This is an update report

12. PROCUREMENT EXEMPTIONS REGISTER 9TH FEBRUARY - 25TH MAY 2023 139 - 140

To review and note the Procurement Exemptions Register.

13. GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST 141 - 142

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 143 - 146

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 1, 2, and 3 of Part I of Schedule 12A (as amended) to the Act.”

Agenda Number	Item	Paragraph of Part 1 Schedule 12A
12 Appendix E		1 - information relating to an individual 2 - information which is likely to reveal the identity of an individual 3 - information relating to the financial or business affairs of any particular person (including the authority holding that information).

And

b. That the public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:

Paragraphs 1 & 2: Some incidents detailed in Appendix E(i) relate to one or few individuals whose data protection rights outweigh the public interest in disclosure.

Paragraph 3: There are details and amounts of incidences of loss or potential loss in Appendix E(i), as well as detailed information as to how the Council is addressing this. To provide this information to the public may compromise the Council in its aim in protecting its funds for the benefit of the District.