

Governance, Risk and Audit Committee



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4th September 2023

A meeting of the **Governance, Risk and Audit Committee** of North Norfolk District Council will be held in the **Council Offices, Holt Road, Cromer, NR27 9EN** on **Tuesday, 12 September 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 - 16

To approve as a correct record, the minutes of the meeting of the Governance, Risk & Audit Committee held on 13th June 2022.

7. EXTERNAL AUDIT RESULTS REPORT 2020-21

17 - 70

To review and note the External Audit Results Report.

8. MONITORING OFFICER ANNUAL REPORT 2022/2023

71 - 96

To review and note the Monitoring Officer's Annual Report.

GRAC ANNUAL REPORT 2022-23	
Executive Summary	This report aims to provide the Council with an outline of the role, purpose and background of the Governance, Risk & Audit Committee, as well provide a summary of the work undertaken by the Committee throughout the 2022-23 municipal year. It will also draw attention to any issues encountered, or those that remain from previous years.
Options considered	N/A
Consultation(s)	A draft copy of the report is shared with the Committee Chairman and all officers responsible for presenting reports to GRAC throughout 2022-23.
Recommendations	It is recommended that Council notes the report, affirms the work of the Governance, Risk & Audit Committee, and considers any concerns raised within the key issues section of the report.
Reasons for recommendations	To inform Council of the work of the Governance, Risk and Audit Committee in 2022-23.
Background papers	GRAC Annual Work Programme 2022-23

Wards affected	All
Cabinet member(s)	N/A
Contact Officer	Matt Stembrowicz Democratic Services & Governance Officer Matthew.stembrowicz@north-norfolk.gov.uk 01253 516047

Links to key documents:	
Corporate Plan:	Strong, responsible & accountable Council
Medium Term Financial Strategy	N/A
Council Policies & Strategies	Relevant policies are considered by the Committee and outlined in the report.

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	N/A
Details of any previous decision(s) on this matter	N/A

Internal Audit Progress and Follow Up Report	
Executive Summary	This report examines the progress made between 31 May 2023 to 31 August 2023 in relation to delivery of the Annual Internal Audit Plan for 2023/24 and provides details of any outstanding internal audit recommendations.
Options considered	N/A
Consultation(s)	N/A
Recommendations	It is recommended that the Committee receives internal audit progress and progress against internal audit recommendations within the period covered by the report.
Reasons for recommendations	To provide the Committee with an update on internal audit plan progress, and progress on implementing outstanding internal audit recommendations.
Background papers	N/A

Wards affected	All
Cabinet member(s)	All
Contact Officer	Faye Haywood, Head of Internal Audit faye.haywood@southnorfolkandbroadland.gov.uk 01508 533873

Links to key documents:	
Corporate Plan:	All
Medium Term Financial Strategy (MTFS)	N/A
Council Policies & Strategies	Internal Audit Charter 2023/24 Internal Audit Strategy 2023/24

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	N/A
Details of any previous decision(s) on this matter	N/A

11. LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT (AGS) 2022/23 113 - 168

LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT (AGS) 2022/23	
Executive 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 ' <i>Delivering Good Governance in Local Government: Framework</i> ' (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.
Options considered	None – this is a statement for review and approval.
Consultation(s)	Policy and Performance Manager; S.151 and Monitoring Officer
Recommendations	Members are asked to review and approve the Annual Governance Statement (AGS) along with the updated Local Code of Corporate Governance.
Reasons for recommendations	To review and record the Council's governance
Background papers	None

Wards affected	All
Cabinet member(s)	Cllr Adams and Cllr Shires
Contact Officer	Tina.Stankley@north-norfolk.gov.uk

Links to key documents:

Corporate Plan:	<p>A Strong, Responsible and Accountable Council</p> <p>Effective and efficient delivery</p> <ul style="list-style-type: none"> • Managing our finances and contracts robustly to ensure best value for money • Ensuring that strong governance is at the heart of all we do
Medium Term Financial Strategy (MTFS)	Governance report not specifically linked to MTFS
Council Policies & Strategies	None

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Public Report
Details of any previous decision(s) on this matter	Annual Governance Report – made yearly to the Governance Risk and Audit Committee

AUDIT COMMITTEES AND CO-OPTED INDEPENDENT MEMBERS	
Executive Summary	A Position Statement has been issued by the Chartered Institute of Public Finance and Accountancy ["CIPFA"]. It contains a number of recommendations including that local authorities include at least two co-opted independent Members on their audit committees. This is not presently a statutory requirement, but is anticipated that it will be in the future. This report considers the guidance and whether the Council wishes to commence a recruitment process in this regard. The Position Statement further recommends that there should be annual public reporting of compliance with the CIPFA Position Statement at Appendix A .
Options considered	<ul style="list-style-type: none"> • Appoint 2 independent Members to the Governance Risk and Audit Committee ["GRAC"] for a 3 year period • Appoint 1 independent Member to GRAC for a 3 year period • Continue with the status quo: not appointing any independent Member at this time
Consultation(s)	Chief Finance Officer; CLT, internal audit
Recommendations	<ol style="list-style-type: none"> 1. To recommend to Full Council that 2 co-opted independent Members be appointed to the Governance Risk and Audit Committee ["GRAC"], for a 3 year period. Delegated authority be given to the Monitoring Officer, in consultation with the Chairman of GRAC, to undertake recruitment arrangements. 2. That GRAC reports annually on how the Committee has complied with the CIPFA Position Statement [2022], to include <ul style="list-style-type: none"> • how it has discharged its responsibilities, • an assessment of its performance and that such report be made available to the public.
Reasons for	To comply with the recent CIPFA Position

recommendations	<p>Statement that:</p> <ol style="list-style-type: none"> 1. “where there is no legislative direction to include co-opted independent members [to a Council’s Audit Committee], CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.” 2. Further, the Position Statement outlines that, to discharge its responsibilities effectively, the Committee should provide an annual report as to compliance with the CIPFA Position Statement [2022], attached at Appendix A.
Background papers	<p>https://www.cipfa.org/-/media/Files/Services/Support-for-audit-committees/CIPFA-Audit-Committee-Position-Statement-2022.pdf</p> <p>This CIPFA guidance note is produced at Appendix A</p>

Wards affected	All wards
Cabinet member(s)	Cllr Adams & Cllr Shires
Contact Officer	<p>Cara Jordan</p> <p>Cara.jordan@north-norfolk.gov.uk</p> <p>Tel: 01263 516373</p>

Links to key documents:	
Corporate Plan:	<p>A Strong, Responsible and Accountable Council</p> <p>Effective and efficient delivery</p> <ul style="list-style-type: none"> • Managing our finances and contracts robustly to ensure best value for money • Ensuring that strong governance is at the heart of all we do
Medium Term Financial Strategy (MTFS)	N/A
Council Policies & Strategies	(CIPFA guidance detailed above)

Corporate Governance:	
Is this a key decision	No

Has the public interest test been applied	Public report
Details of any previous decision(s) on this matter	None

13. CORPORATE RISK REGISTER 181 - 222

To review and note the corporate risk register, and consider any necessary recommendations.

14. PROCUREMENT EXEMPTIONS REGISTER 26 MAY 2023 - 30 AUGUST 2023 223 - 224

To review and note the procurement exemptions.

15. GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST 225 - 228

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

16. GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME 229 - 232

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

17. 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.”

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Registering interests

Within 28 days of becoming a member or your re-election or re-appointment to office you must register with the Monitoring Officer the interests which fall within the categories set out in **Table 1 (Disclosable Pecuniary Interests)** which are as described in "The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012". You should also register details of your other personal interests which fall within the categories set out in **Table 2 (Other Registerable Interests)**.

"Disclosable Pecuniary Interest" means an interest of yourself, or of your partner if you are aware of your partner's interest, within the descriptions set out in Table 1 below.

"Partner" means a spouse or civil partner, or a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners.

1. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest, or of any change to a registered interest, notify the Monitoring Officer.
2. A 'sensitive interest' is as an interest which, if disclosed, could lead to the councillor, or a person connected with the councillor, being subject to violence or intimidation.
3. Where you have a 'sensitive interest' you must notify the Monitoring Officer with the reasons why you believe it is a sensitive interest. If the Monitoring Officer agrees they will withhold the interest from the public register.

Non participation in case of disclosable pecuniary interest

4. Where a matter arises at a meeting which directly relates to one of your Disclosable Pecuniary Interests as set out in **Table 1**, you must disclose the interest, not participate in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.
5. Where you have a disclosable pecuniary interest on a matter to be considered or is being considered by you as a Cabinet member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it

Disclosure of Other Registerable Interests

6. Where a matter arises at a meeting which **directly relates** to one of your Other Registerable Interests (as set out in **Table 2**), you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

Disclosure of Non-Registerable Interests

7. Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a Disclosable Pecuniary Interest set out in Table 1) or a financial interest or well-being of a relative or close associate, you must disclose the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to disclose the nature of the interest.
8. Where a matter arises at a meeting which **affects** –
 - a. your own financial interest or well-being;
 - b. a financial interest or well-being of a relative, close associate; or
 - c. a body included in those you need to disclose under Other Registrable Interests as set out in **Table 2**

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied

9. Where a matter **affects** your financial interest or well-being:
 - a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
 - b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

You may speak on the matter only if members of the public are also allowed to speak at the meeting. Otherwise you must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.

If it is a 'sensitive interest', you do not have to disclose the nature of the interest.

10. Where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must make sure that any written statement of that decision records the existence and nature of your interest.

Table 1: Disclosable Pecuniary Interests

This table sets out the explanation of Disclosable Pecuniary Interests as set out in the [Relevant Authorities \(Disclosable Pecuniary Interests\) Regulations 2012](#).

Subject	Description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
Sponsorship	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the

	<p>councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p>
Land and Property	<p>Any beneficial interest in land which is within the area of the council.</p> <p>'Land' excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.</p>
Licenses	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
Corporate tenancies	<p>Any tenancy where (to the councillor's knowledge)—</p> <p>(a) the landlord is the council; and</p> <p>(b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.</p>
Securities	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were</p>

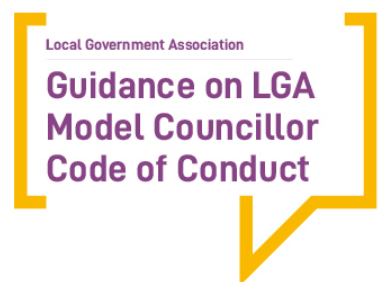
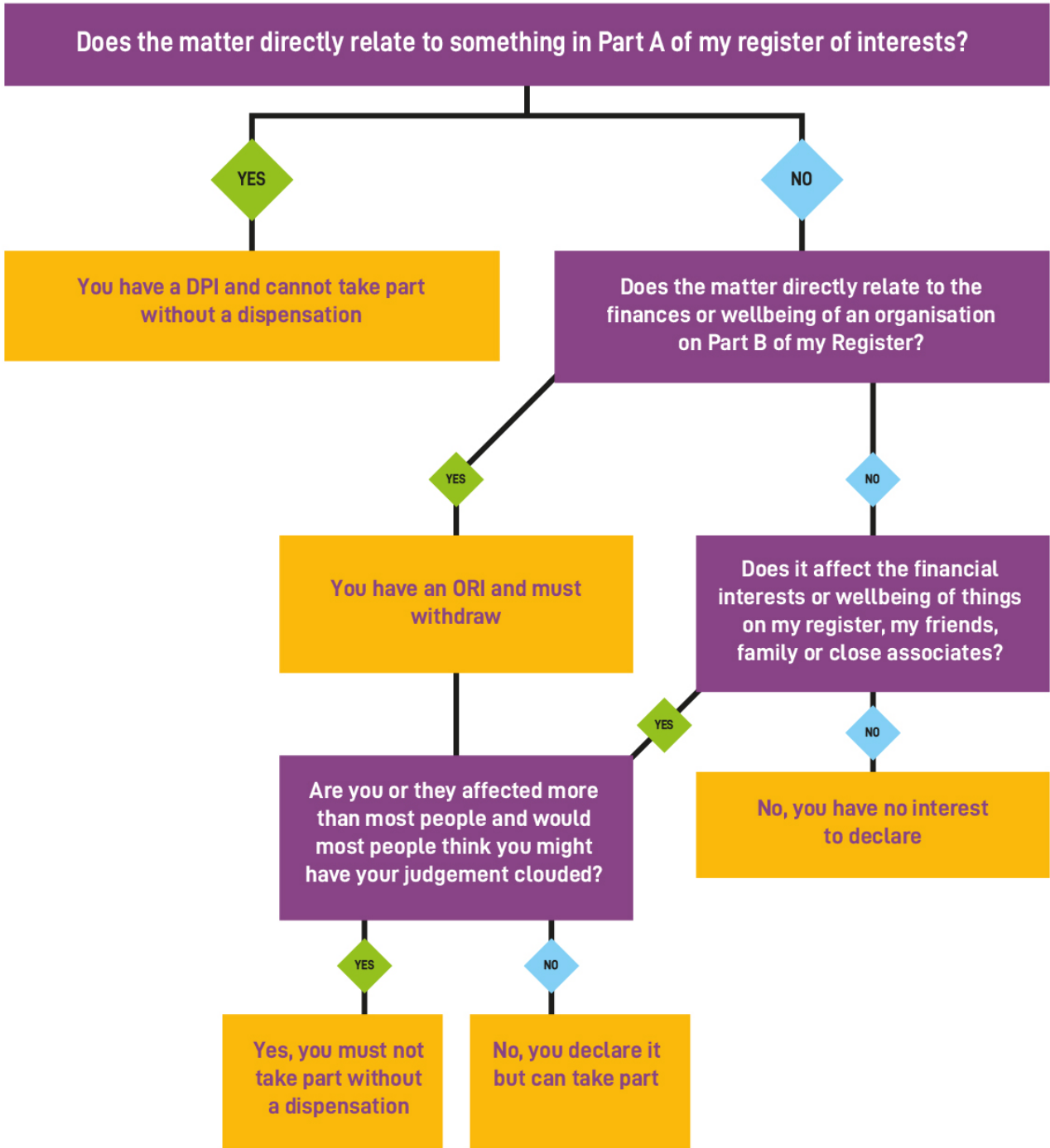
	spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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* 'director' includes a member of the committee of management of an industrial and provident society.

* 'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

Table 2: Other Registrable Interests

<p>You have a personal interest in any business of your authority where it relates to or is likely to affect:</p> <ul style="list-style-type: none"> a) any body of which you are in general control or management and to which you are nominated or appointed by your authority b) any body <ul style="list-style-type: none"> (i) exercising functions of a public nature (ii) any body directed to charitable purposes or (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
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GOVERNANCE, RISK AND AUDIT COMMITTEE

Minutes of the meeting of the Governance, Risk and Audit Committee held on Tuesday, 13 June 2023 at the Council Chamber - Council Offices at 2.00 pm

Committee

Members Present:

Cllr J Toye (Chairman)	Cllr J Boyle (Vice-Chairman)
Cllr S Penfold	Cllr C Cushing
Cllr L Vickers	

Members Attending:

also Cllr C Ringer (Observer)	Cllr L Shires (Observer)
Cllr A Brown (Observer)	

Officers in Attendance:

Head of Internal Audit (HIA), Democratic Services and Governance Officer - Scrutiny (DSGOS), Chief Executive (CE), Assistant Director for Finance, Assets, Legal & Monitoring Officer (MO), Director for Resources / S151 Officer (DFR), Democratic Services Manager (DSM), Director for Communities (DFC) and Policy and Performance Manager (PPM)

1 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr E Spagnola.

2 SUBSTITUTES

None.

3 PUBLIC QUESTIONS

None received.

4 ITEMS OF URGENT BUSINESS

None received.

5 DECLARATIONS OF INTEREST

None declared.

6 MINUTES

The Chairman referred approval of the minutes to returning Committee Members:

- i. Cllr C Cushing stated that the minutes were an accurate record of the meeting, but referred to p9 where it was stated that the 20-21 accounts would come to the June meeting, and asked whether the S151 officer could provide an update on the accounts sign-off. The DFR replied that the accounts were yet to be signed off, but a deadline had been set for Friday 16th June. She added that the 21-22 accounts would follow, with an aim to

have these ready for sign-off at the September meeting, with the 22-23 accounts ready for the December meeting. The Chairman stated that he understood there were legitimate reasons for delays, but it would be helpful to understand how the process had fallen so far behind schedule. The CE stated that there had been a challenge to the 19-20 accounts, which had led to investigations by the Police and External Audit, completed in March 2022, which had significantly delayed the accounts auditing process for subsequent years. He added that there was also a significant backlog of work with all major external auditors across the country, which had impacted the majority of local authorities. It was noted that NNDC was therefore a year behind the position of many other authorities, but there was a plan of action in place to get the Council back on schedule. The Chairman asked how long this would take to achieve, to which the DFR stated that the ordinary timetable would be for draft accounts to be published by 31st May with sign-off in September, and it was hoped that this could be achieved ready for the 23-24 accounts.

- ii. The Chairman requested that a chart and timeline be prepared to show which accounts had been completed and when each years accounts were expected to be signed-off, so that Members could be brought up to speed on the progress being made.
- iii. Minutes of the meeting held on 7th March 2023 were approved as a correct record and signed by the Chairman.

ACTIONS

DFR to prepare chart/timetable to show annual accounts sign-off schedule for 2020-21, 21-22 and 22-23, to share with Members.

7 PURCHASE OF TWO ADDITIONAL REFUSE COLLECTION VEHICLES

The Chairman introduced the item, summarised the recommendation and noted that the report was also due to be considered by the Overview & Scrutiny Committee, and Members should therefore focus on the risk elements of the report.

Questions and Discussion

- i. Cllr C Cushing asked why the risk to collections had not been identified sooner, and referred to comments in the report that suggested that failure to purchase additional vehicles would result in risk to the reliability of existing collections. The DFC replied that since the introduction of the new target operating model, there had been issues with performance that had been exacerbated by recruitment difficulties and industrial action, however there had been considerable growth in garden and trade waste collections. As a result, Serco had identified a tipping point at which the growth in these services would begin to effect existing collections without the additional collection vehicles. It was noted that the decision to request additional vehicles was the culmination of discussions, which was why the request had not come sooner.
- ii. The Chairman referred to additional income of approximately £700k generated by the growth in services, and asked whether the need for additional vehicles could not be identified until issues including industrial action had been resolved. The DFC replied that whilst industrial action may have delayed the decision to request additional vehicles, it was not the cause

as there were tolerances within the contract that had reached their limit due to the growth in customers. Cllr C Cushing stated that the risk should have been identified some time ago, and it was no longer a risk as it had materialised, and now required funding outside of the budget framework agreed in February. The DFC replied that there were always risks present, and it was likely that the risk had not materialised at the time the budget was set, though he accepted that warnings could have been given sooner.

- iii. The Chairman asked whether any additional income generated by the garden and trade waste collections had been ringfenced for use on matters such as purchasing additional equipment. The DFR replied that the income for charged services was held by the Council, but spending on additional vehicles could be seen as an investment in services. She added that going forward Members could consider establishing a reserve for this type of spending with funds generated by chargeable services. The Chairman reiterated that he sought to determine whether any of the additional income generated had been set aside for use on matters such as purchasing additional vehicles, given that the risk had been previously identified. The DFR replied that by placing funds received in the general reserve, the Council was in a better position to purchase additional vehicles, but the existing income and performance compensation payments would effectively cover the costs of any borrowing incurred to purchase the vehicles.
- iv. Cllr S Penfold referred to p79 and noted that collections had struggled over the past six months and would continue to do so without the purchase of additional vehicles. He added that this suggested that the risk had materialised, and asked how long the build time would be, given that service performance was already suffering, which created reputational risk for the Council. Cllr S Penfold asked how the Council would act to mitigate risks or issues during the build period, to ensure that services were delivered to an acceptable standard prior to receiving the new vehicles. The DFC replied that Serco were already providing an additional vehicle at their expense, however this was unsustainable and not within the terms of the agreed contract. He added that the decision had been taken for the Council to provide vehicles to avoid risks to the service and the contractor expected this to be the position going forward. It was noted that for trade waste, there were efficiencies in collecting smaller holiday home bins as part of domestic collections, however the increase in trade collections had placed pressure on the domestic service. The DFC stated that the additional vehicle would take pressure off domestic collections whilst adding capacity for continued growth in the service. He added that prior to delivery of new vehicles, Serco would continue to meet service demand with rented vehicles, but using Serco's pre-booked build slots would bring forward the delivery date of new vehicles. Cllr S Penfold asked whether the Council could continue to expect service disruption until the additional vehicles were delivered. The DFC replied that pressure was placed on Serco to continue to meet the required level of service despite the need for additional vehicles, and this would continue until they could be delivered. He added that if the Council did not make efforts to meet its contractual obligations and provide the required level of vehicles, then Serco may be inclined to revert to contract and limit service levels to the available resource.
- v. The Chairman referred to income generation forecasts from chargeable services and asked how this had been calculated. The DFC replied that in terms of trade waste customers, excluding the impact of Covid, the Council

had seen continued growth in its income and this was expected to continue, with Serco recently employing a Commercial Waste Manager to focus efforts. He added that there were a number of other commercial waste service providers in the area, and it was important to remain competitive service to ensure continued service growth which would require increased capacity provided by the additional vehicles. The Chairman asked whether officers were confident that the increased revenue would cover the costs of the additional vehicles over their working life. The DFC replied that the budgeted income was £1.3m for garden waste services and £1.6m for trade waste, and it was therefore expected that income would far outweigh the cost of vehicles over their service life. The Chairman stated that it would have been useful for this information to have been included within the report to show that financial risks had been mitigated. The DFC replied that any figures of this kind would need to be provided in purple papers due to the commercial sensitivity of the information.

- vi. Cllr A Brown stated that he felt there had been a shortfall on details in the report presented to Cabinet, and suggested that it would have been helpful to better understand how the cost of the additional vehicles would be covered by the income generated. He added that with any public borrowing, it was important to know how quickly this would be repaid, with risks outlined if this could not be guaranteed. Cllr A Brown asked whether the current waste contract would allow for the conversion of vehicles to HVO fuel, in order to help achieve net zero by 2030. He added that he was supportive of creating a contingency fund to purchase any future additional vehicles required. The DFC replied that HVO fuel was an alternate fuel source, and whilst there were discussions taking place with Serco, supply and sustainability was yet to be determined, but there was no contractual impediment. The DFR stated that creating a contingency fund for vehicle purchases was possible, if supported by Members. The DFC added that whilst the purchase of additional vehicles was the responsibility of NNDC, it remained Serco's responsibility to specify the vehicles and plant required to deliver the contract, therefore it may be premature to create a dedicated reserve for this purpose that may not be required. The Chairman asked whether there was any mechanism in place to monitor the continued growth of the service to determine whether additional vehicles may be required again in the future. The DFC replied that the North Norfolk element of the contract was complicated and it would be better to maintain a level of officer control over the process in order to achieve the best outcomes for residents.
- vii. Cllr L Shires stated that growth in the chargeable services was a result of the Council's success, and whilst she did have concerns regarding risk when initially reviewing the report, she was satisfied that these had been mitigated. She added that clarification was needed on when borrowing costs would be incurred on the basis that Serco had preferential build slots available. The DFR confirmed that if the preferential Serco build slots were used, then the borrowing would be incurred in 24-25, the year after the assets were acquired.
- viii. Cllr C Ringer stated that the growth in services over the past five years suggested that not purchasing additional vehicles would present the greatest risk to maintaining Council services.
- ix. The Chairman noted that the Committee were satisfied that the decision to purchase additional vehicles did not present an unacceptable level of risk to

the Council.

- x. The recommendation was proposed by Cllr J Toye and seconded by Cllr J Boyle.

RESOLVED

- 1. To 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.**
- 2. To recommend to Full Council that the purchase be funded by borrowing of £335,000 and a revenue contribution of £50,000.**

8 INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT

The HIA introduced the report and referred Members to the audit plan agreed in March with finalised reports summarised with gradings and recommendations listed, all of which were positive gradings, except for key controls and assurance which had been given a limited assurance grading. It was noted that a further two pieces of work had been undertaken on economic growth, where no suggested improvement points had been raised. However, on the property services – operational audit 22 recommendations had been made, primarily in relation to managing health and safety. The HIA noted that as a result property services had been added to the 23-24 audit plan to provide additional assurance. On the key controls audit given a limited assurance grading, it was reported that actions and recommendations had been accepted and would be monitored until complete. It was noted that key reconciliations had not been done in a timely manner, and investments had not been signed off by a separate officer to ensure segregation of duties. The HIA stated that there were also concerns about car parking income not being reconciled and updates required on the asset register, but the Finance Team were committed to addressing all concerns.

Questions and Discussion

- i. Cllr C Cushing referred to the limited assurance of p47 and noted that the Council had struggled with key reconciliations since the introduction of the new finance system, and asked whether any updates could be provided. The DFR stated that there had been a learning curve for officers adapting to the new software, which meant that reconciliations took longer to complete, exacerbating issues of an under resourced team. She added that efforts were being made to resolve the issues as a priority, and recruitment was also in progress to bring the team back up to capacity. Cllr C Cushing asked whether issues were anticipated during the implementation of the system, to which the DFR replied that the issues had not been foreseen as it was expected that the system would be more efficient. Cllr C Cushing asked whether staff were trained on the system prior implementation, to which the DFR replied that training had taken place post-implementation. She added that implementation had not gone as she would have preferred, but those responsible had left the authority, and officers had adapted to the situation that was presented to them. Cllr C Cushing stated that it appeared that implementation had added to the burdens of the Team rather than reducing them, and that the timing of the change appeared to be ill advised.

- ii. The Chairman suggested that the Committee should consider the recommendations and actions outlined in the report to ensure that Members were confident it would bring the Finance Team back up to speed. Cllr Cushing asked whether officers could confirm when reconciliations would be back up to date, and the DFR replied and it was hoped that reconciliations could be brought back up to date once recruitment was complete.
- iii. The HIA noted that there would be a post-implementation review of the new finance system as part of the 23-24 audit plan, and any learning points or recommendations could be put in place for future changes.
- iv. The Chairman referred to appendix 4 on outstanding audit recommendations of which several had updated deadlines, and suggested that it would be helpful to understand why some longstanding recommendations had not been completed. The CE replied that prior to Covid-19 the list had approximately 45 outstanding audit recommendations, so considerable progress had been made. He added that some delays outlined within the Planning Service had been caused by the implementation of the Uniform system, but overall planning performance had improved significantly. It was noted that S106 monitoring and record keeping had recently been addressed with a module of the Uniform system, and the last outstanding action would be addressed shortly.
- v. The CE stated referred to civil contingences and noted that the officer had been on an extended absence due to long Covid, but was now on a phased return. He added that for waste services, the recent resolution of the pay dispute and continued improvement of collections performance had helped to address outstanding audit actions. On key controls and reconciliations, it was noted that officers were reviewing the car parking payments and management system, with changes needed to improve the clarity of the contract or consider alternate options. It was noted that counter-fraud and anti-corruption actions were covered under a separate agenda item.
- vi. The Chairman asked when the PSIP was expected to return to the Overview & Scrutiny Committee, which was confirmed to be September, following which it may be possible to close the final recommendation. He asked whether the number of outstanding recommendations had fallen, to which the HIA replied that the Committee should maintain pressure to keep momentum on resolving the audit recommendations, though considerable progress had been made.

RESOLVED

To receive and note the internal audit progress and progress against internal audit recommendations within the period covered by the report.

9 INTERNAL AUDIT ANNUAL REPORT & OPINION 2022/23

The HIA introduced the report and informed Members that it summarised all work completed in the 22-23 year, and provided an overall opinion on governance, risk management and control. She added that it also considered the performance of the Internal Audit Team, with comparative tables to show assurances given across each year. It was noted that the overall opinion was reasonable, which was a positive assurance grading, with areas that received substantial assurance outlined. Only two areas were reported to have received a limited assurance grading, one of which

was the Pier Pavilion, with all recommendations implemented, and Key Controls discussed in the previous report. The HIA stated that Key Controls should be referenced within the AGS, in addition to an outstanding recommendations from previous years that should be included until complete. On Internal Audit performance, it was noted that an external review had determined that the service was delivered to the expected standard, which should provide further assurance to the Committee. It was noted that performance indicators were included for the contractor TIAA, with timeliness highlighted as an issue that would be addressed going forward, though quality remained high.

Questions and Discussion

- i. The CE stated that the outstanding actions in relation to the Pier Pavilion were expected to be completed on 29th June during a visit from the managing director of the management contractor.
- ii. The Chairman referred to appendix 2 on complaints and FOI requests and noted that there was no assurance grading provided and asked for an explanation. The HIA replied that this meant that the area had not been audited for five years, likely as it did not present a significant risk to the Council, however an audit was planned for the year ahead.

RESOLVED

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.**

10 CORPORATE RISK REGISTER

The DFR introduced the report and informed Members that all strategic risks had been reviewed with input from service managers.

Questions and Discussion

- i. Cllr C Cushing referred to the format of the report and suggested that he did not find it easy to understand. He added that the risk register should outline a risk and the potential impacts, followed by any mitigation measures put in place, which the current report format failed to do. It was suggested that it would be easier to understand if officers adopted a more formal risk approach. The Chairman suggested that reverting to spreadsheets may be preferable, to which the DFR replied that the current software used to produce reports was under review, but a spreadsheet approach may be possible.

- ii. The PPM stated that the risk management framework was scheduled for review over summer, and the current system could be improved if the framework wasn't meeting the needs of the Committee. The HIA stated that Members could be involved in the review of the framework, and that ultimately it would be for the Committee to approve.

RESOLVED

To review and note the Corporate Risk Register.

11 COUNTER-FRAUD, CORRUPTION AND BRIBERY UPDATE

The MO introduced the report and informed Members that it was the result of a counter-fraud audit completed in 21-22 that had made a number of recommendations which the report sought to close down. She added that an update on counter-fraud and anti-corruption actions could be reported as part of the annual Monitoring Officer's report, but a more detailed list of actions should be presented to the Committee. It was noted that risk had also been identified as a result of not having a dedicated counter-fraud officer, but senior officers had agreed that it was not necessary for the apparent level of risk, but could be kept under review. The MO noted that there had also been a recommendation for all officers to undertake anti-fraud training, which had been made available on Skillgate. She added that a list of key points from the Fighting Fraud and Corruption guidance had been developed into an action plan that would help to improve Council processes. It was noted that there was also a fraud risk assessment undertaken by the previous S151 officer, which had been considered alongside other factors to determine whether any further actions were necessary.

Questions and Discussion

- i. The Chairman stated that appendix E was helpful for identifying potential risks which showed that efforts to reduce fraud and corruption were working.
- ii. Cllr C Cushing referred to staff training and asked whether this was a one-off, or whether further training would take place in the future. The MO replied that the current training was a one-off, but this could be reviewed on an annual basis as the training module would remain on Skillgate, and any officers working in high-risk areas were required to undertake additional specialist training.
- iii. The Chairman asked whether any new fraud risks should be raised with relevant officers, to which the MO confirmed that guidance was outlined on p122 for incidences of fraud or any related activity.
- iv. The CE stated that CLT had discussed the report and had raised concerns regarding some of the conclusions on the basis that as a consortium-wide report, some issues did not present a particular risk to NNDC. As a result, the decision was taken that a fulltime counter-fraud officer would not be the best use of the Council's resources, taking into account that a historical counter-fraud team had been transferred to the DWP. The CE stated that the organisation's good track record of collection of business rates and Council Tax, in addition to good processes reassured officers that there was a low risk of fraud. He added that this would continue to be reviewed on an ongoing basis, with counter-fraud responsibilities shared between officers across the Council.

- v. The Chairman asked whether the actions taken satisfied Internal Audit requirements, to which the HIA replied that it was encouraging to hear that the matter had been taken seriously, and the matter could now be signed-off as complete.

RESOLVED

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.

12 PROCUREMENT EXEMPTIONS REGISTER 9TH FEBRUARY - 25TH MAY 2023

The MO introduced the report and informed Members that there had been two exemptions between 9th February and 25th May which were outlined in the report.

RESOLVED

To note the procurement exemptions.

13 GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST

The DSGOS stated that all actions had been completed, however the 20-21 annual accounts were expected to be signed-off in the coming weeks under delegated authority, as outlined by the DFR.

RESOLVED

To note the update.

14 GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME

- i. The DSGOS stated that whilst the EY External Audit Plan 21-22 was listed on the work programme in June, EY had stated that work would not begin on the 21-22 external audit until the previous year had been completed. He added that the AGS and Local Code of Corporate Governance had been deferred to September, and any further external audit work outlined in the work programme would be dependent on the completion of the 20-21 audit. The DFR noted that the July meeting would likely not go ahead as the 20-21 accounts were due to be signed off under delegated authority, and the 21-22 accounts would not be ready until at least August.
- ii. The DSGOS noted that prior to the election there had been plans to bring further civil contingencies reports to the Committee, and he would seek to determine whether these would come to the next meeting.

REOLVED

To note the work programme.

15 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at 4.02 pm.

Chairman

**North Norfolk
District Council
Audit Results Report
- Addendum Update**

Year ended 31 March 2021
4 September 2023

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EY

Building a better
working world

Agenda Item 7

4 September 2023



Governance, Risk and Audit Committee Members
North Norfolk District Council
Council Offices
Holt Road
Cromer
NR27 9EN

Dear Governance, Risk and Audit Committee Members

2020/21 Audit Results Report

We are pleased to attach our updated Audit Results Report Addendum, summarising the final status of our audit for the forthcoming meeting of the Governance, Risk and Audit Committee.

The audit is designed to express an opinion on the 2020/21 financial statements and address current statutory and regulatory requirements. This report contains our findings related to the areas of audit emphasis, our views on North Norfolk District's accounting policies and judgements and material internal control findings. Each year sees further enhancements to the level of audit challenge and the quality of evidence required to achieve the robust professional scepticism that society expects. We thank the management team for supporting this process. We have also included an update on our work on value for money arrangements,

This report is intended solely for the information and use of the Governance, Risk and Audit Committee, other members of the Council and senior management. It is not intended to be and should not be used by anyone other than these specified parties. We welcome the opportunity to discuss the contents of this report with you at the Governance, Risk and Audit Committee meeting on the 12 September.

Yours faithfully

MARK HODGSON

Mark Hodgson
Associate Partner
For and on behalf of Ernst & Young LLP
Encl

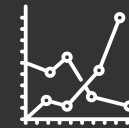
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07 Independence

08 Appendices

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.psa.co.uk/audit-quality/statement-of-responsibilities/>). 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 April 2018)" 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, Risk and Audit Committee and management of North Norfolk District Council in accordance with the statement of responsibilities. Our work has been undertaken so that we might state to the Governance, Risk and Audit Committee, and management of North Norfolk 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, Risk and Audit Committee and management of North Norfolk 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

Scope update

In our Audit Plan presented to the 27 September 2022 Governance, Risk and Audit Committee meeting, we provided you with an overview of our audit scope and approach for the audit of the financial statements. We carried out our audit in accordance with this plan.

Our audit has been performed over a revised Draft Statement of Accounts document, provided to us on the 26 May 2022. This differs to the version originally published on the Council's website on 30 July 2021. The revised set reflected changes based on findings in our 2019/20 audit as well as in respect of grant income treatment. It is the responsibility of the Council to communicate these differences to the Governance, Risk and Audit Committee as deemed necessary or re-publish the draft financial statements.

Status of the audit

As reported in the Audit Plan, our audit procedures were scheduled to take place between July and September 2022. The Council were not able to fully service the audit in this period, which led to a number of delays in respect of responses to our audit queries during our visit. We did therefore reschedule our procedures to be undertaken during November 2022.

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There have been delays in a number of areas, including our risk areas. Whilst we have received cooperation from the Finance staff involved in our audit, the delays have demonstrated capacity issues within the finance team and the Council's ability to service our audit. We understand that a new s151 Officer has been recruited to address this issue, and recruitment is ongoing to support the finance team. The Council continued to be unable to service the audit at times during 2023, until our final procedures were able to be performed in the June to August 2023 period.

As a result, our audit has not been concluded in line with the proposed timeline. This has led to additional time being required for the audit which will result in additional audit fees which have been set out at Appendix 7.

Our audit work in respect of the Council opinion is substantially complete, as we only have our closing procedures to perform as at the date of this report.

Closing Procedures:

- ▶ Subsequent events review (including work in respect of the 2022 Triennial Revaluation, see page 22 for details);
- ▶ Agreement of the final set of financial statements;
- ▶ Receipt of signed management representation letter; and
- ▶ Final Manager and Engagement Partner reviews.

Details of each outstanding item, actions required to resolve and responsibility is included in Appendix B.

Given that the audit process is still ongoing, we will continue to challenge the remaining evidence provided and the final disclosures in the Narrative Report and Accounts which could influence our final audit opinion, a current draft of which is included in Section 4.



Executive Summary

Auditor responsibilities under the new Code of Audit Practice 2020

Under the Code of Audit Practice 2020 we are still required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. The 2020 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.

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; and
- 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.

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Status of the audit - Value for Money

We have completed an initial Value for Money (VFM) risk assessment and have not identified any risk of significant weakness against the three reporting criteria we are required to consider under the NAO's 2020 Code.

We will revisit our assessment on completion of the audit of the financial statement. As a result, currently we have no matters to report by exception in the auditor's report (see Section 03).

We plan to issue the VFM commentary by the end of September 2023 as part of issuing the Auditor's Annual Report.

Independence

Please refer to Section 7 for our update on Independence.

Executive Summary

Audit differences

Uncorrected Audit Differences

- ▶ At the date of issuing this report, there were no uncorrected misstatements in the accounts that have an effect on the surplus/deficit on the provision of services.

Corrected Audit Differences

▶ Property, Plant & Equipment

- ▶ Management have corrected differences amounting to £0.242 million in respect of a land asset that was incorrectly classified as an 'Asset Held for Sale' instead of as a 'Surplus Asset'.
- ▶ Management have corrected differences amounting to £0.120 million in respect of the purchase of a property which was recognised in 2020/21, but which did not complete until 2021/22. This will reduce the total Property, Plant and Equipment balance by £0.120 million.
- ▶ Management have corrected for a difference in respect of the revaluation of 'Cliff Top', Runtun Road, which was revalued by Management's expert, but not posted to the Council's accounts. This will increase Property, Plant & Equipment by £0.069 million.
- ▶ Management have corrected for a difference in respect of the revaluation of three leisure centre assets, which were revalued by Management's Expert, but incorrectly posted to the Council's accounts. This will decrease Property, Plant & Equipment by £1.553 million.
- ▶ Management have corrected for balances which have been held in 'Assets Under Construction' but should be 'expenditure' as there is no support that this spend added value to the underlying assets which are separately held on the Balance Sheet. This will decrease Property, Plant & Equipment by £2.718 million.
- ▶ Management have corrected for valuation errors identified in the assumptions used for the build life of assets valued under the Depreciated Replacement Cost basis. This will decrease Property, Plant & Equipment by £0.674 million.
- ▶ Management have corrected for a misclassification of the Deep History Coast project asset. This was held as an 'Asset Under Construction' at the balance sheet date, however this became operational during 2020/21. This will increase 'Infrastructure Assets' and reduce 'Assets Under Construction' by £0.722 million.
- ▶ Management have corrected for misclassifications of elements of Cromer Pier. This asset was split across 'Asset Under Construction', 'Infrastructure' and 'Community Assets'. This will ultimately be classified as a 'Community Asset' and therefore 'Assets Under Construction' will decrease by £1.689 million, 'Infrastructure Assets' will decrease by £0.074 million and 'Community Assets' will increase by £1.764 million.

▶ Grant Income

- ▶ Management have corrected a difference in respect of accounting for the 'Council Tax Hardship' grant. This is to be included as both Income and Expenditure in the accounts, instead of being treated on a net basis. This will increase both income and expenditure by £0.544 million.
- ▶ Management have corrected differences in respect of Covid Grant funding. This is to be included as income and expenditure in the accounts, through treatment of this as a principal grant, instead of being treated 'net' as an agency arrangement. This will increase income and expenditure by £4.982 million.
- ▶ Management have corrected a difference in respect of Covid Grant income, where they have been unable to demonstrate that they have met the conditions required to recognise the amount has income. This will decrease income and increase creditors by £0.170 million.



Executive Summary

Audit differences (continued)

Corrected Audit Differences (continued)

- ▶ Pension Liability - Management have corrected an audit difference in relation to the Pension Liability reducing the liability by £0.818 million, as a result of increases in the valuation of Pension Fund Investments due to timing differences reported through the audit of Norfolk Pension Fund.
- ▶ Receivables - Management have corrected for misstatements in relation to the Bad Debt Provision (Receivables Impairment), where a revised Bad Debt Provision had been calculated but not posted to the General Ledger. This will increase the Net Debtors (reduce the Gross Debtor) balance by £0.085 million.
- ▶ Support Service Charges - Management have corrected for differences in respect of the 'grossing up' of support service charges. This will reduce both income and expenditure by £1.564 million.
- ▶ Collection Fund Creditors - Management have corrected for an under-accrual in respect of Section 31 Business Rate payments due from the Council per the NNDR3 submission. This has been recognised as an Earmarked Reserve, but should have been reflected as a Creditor. This will increase Creditors and Earmarked Reserves by £4.480 million.
- ▶ Collection Fund Debtors - Management have corrected for a difference in respect of the closing Collection Fund position, linked to errors identified and reported in the prior year audit, that has required revisions to the current year NNDR3 model. This will reduced debtors by £0.339 million.

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We also identified a number of minor audit disclosure differences in the financial statements, which have been adjustment by Management. These include presentational changes to the Officer Remuneration disclosure and updating the Covid Grant and Related Party disclosure notes to ensure these are complete.

Other reporting issues

We have reviewed the information presented in the Annual Governance Statement for consistency with our knowledge of the Council. We have no matters to report as a result of this work.

We are usually required to perform procedures by the National Audit Office (NAO) on the Whole of Government Accounts submission. However, given the delays in this audit, the submission deadline for this has now passed, with the Whole of Government Accounts being published on 20 July 2023. We do not therefore have any issues to report in respect of our responsibilities in this area.



Executive Summary

Control observations

During the audit, we did not identify any significant deficiencies in internal control. We have taken a wholly substantive approach to the audit.

However, we would like to draw your attention to the following issues identified through our audit:

- The Council did not complete the CIPFA Disclosure Checklist at the time of accounts production and we believe that this would be a valuable closedown exercise to ensure that all the requirements are addressed within the draft financial statements.
- The Council were unable to evidence that, at the time of accounts production, that the Statement of Accounts had been subject to review by a Senior Officer within the Council.
- The Council does not have any formal procedure in place for the authorisation of journals before they are posted to the General Ledger. During the year, a control is in place that journals in excess of £0.100 million are subject to review before posting, however at year-end this procedure is also lifted due to limited capacity within the finance team in this period.

The Council's Fixed Asset Register holds a number of line items which relate to multiple properties, as well as multiple line items for the same asset. Whilst holding one line item for multiple properties has not lead to an audit adjustment, these should be sufficiently disaggregated to ensure future revaluations and other asset movements are accounted for appropriately.

The Council's rolling programme of asset valuations demonstrated that £0.245 million of Surplus Assets and £0.151 million of Other Land & Buildings had not been subject to revaluation within the five year rolling period prescribed by the Code. Whilst we have been able to perform sufficient procedures to gain assurance over the material accuracy of these assets, the Council should ensure that all assets are subject to revaluation within a five year rolling period.

As a result, we have raised recommendations in Section 6 of this report.

Executive Summary

Areas of audit focus

In our Audit Plan we identified a number of key areas of focus for our audit of the financial report of North Norfolk District Council. This report sets out our observations and status in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the "Areas of Audit Focus" section of this report.

Management Override: Misstatements due to fraud or error

- We have completed our work in this area and have not identified any misstatements of this kind. We have identified one control weakness which is reported in Section 6.

Management Override: Inappropriate capitalisation of revenue expenditure (including Revenue Expenditure Funded from Capital Under Statute (REFCUS))

- We have completed our work in this area and have identified the following difference to report:
 - The Council have recognised a capital addition in respect of the purchase of a property recognised in 2020/21 for which the transaction did not complete until 2021/22. This will reduce the total Property, Plant and Equipment balance by £0.120 million. We note that given the relatively small value of the item, that this has no net impact on the Balance Sheet (as a classification adjustment between debtors and Property, Plant & Equipment) and that this is an error in respect of a timing difference, we do not deem that this is indicative of management override or fraud.

Significant Risk: Accounting for Covid-19 related grant funding

We have completed our work in this area and have identified the following differences to report:

- Accounting for the Council Tax Hardship grant had been incorrectly treated on a net basis. This is to be included as income and expenditure in the accounts, instead of being treated 'net'. This will increase income and expenditure by £0.544 million.
- Accounting for two Covid grants had incorrectly been treated as an 'agency' arrangement whereas the Council was acting as 'Principal'. This adjustment will increase income and expenditure by £4.982 million.

Significant Risk: Infrastructure Assets

- We have completed our work in this area and have no matters to report.

Inherent Risk: Bad Debt Provision and recoverability of Debtors

- We have completed our work in this area and have identified the following difference to report:
 - A revised Bad Debt Provision had been calculated but not posted to the General Ledger. This will increase the Net Debtors balance by £0.085 million.

Inherent Risk: Collection Fund Accounting

- We have completed our work in this area and have identified the following differences to report:
 - Management have corrected an audit difference in relation to the accounting for Collection Fund debtors, reducing the asset by £0.338 million, as a result of adjustments required to the Council's NNDR3 submission.
 - Management have corrected for an under-accrual in respect of Section 31 Business Rate payments due from the Council per the NNDR3. This has been recognised as an Earmarked Reserve, but should have been reflected as a Creditor. This will increase Creditors and Earmarked Reserves by £4.480 million.

Executive Summary

Areas of audit focus (Continued)

Inherent Risk: Valuation of Other Land & Buildings

- We have completed our work in this area and have identified the following differences to report:
 - Management have corrected for a difference in respect of the revaluation of Cliff Top, Runtun Road, which was revalued by the specialist but not posted to the Council's accounts. This will increase Property, Plant & Equipment by £0.069 million.
 - Management have corrected for a difference in respect of the revaluation of three leisure centre assets, which were revalued by the specialist, but incorrect posted to the Council's accounts as there were multiple lines for each asset. This will decrease Property, Plant & Equipment by £1.553 million.
 - Management have corrected for balances which have been held in Assets Under Construction but that should be expenditure as there is no support for this adding value to the underlying assets which are separately held on the Balance Sheet. This will decrease Property, Plant & Equipment by £2.718 million.
 - Management have corrected for valuation errors identified in the assumptions used for build life of assets valued under Depreciated Replacement Cost. This will decrease Property, Plant & Equipment by £0.674 million.

Inherent Risk: National Non-Domestic Rates Appeals Provision

We have completed our work in this area. Whilst the Council were unable to support the assumptions used in the original calculation of the Appeals Provision, a revised calculation has been performed and demonstrated that the provision held was materially correct. We have no further matters to report.

Inherent Risk: Pensions valuations and disclosures

Our work on this area remains in progress as a result of the revised 2022 Triennial Valuation. We have identified the following to date:

- Management have corrected an audit difference in relation to the Pension Liability reducing the liability by £0.818 million, as a result of increases in the valuation of Pension Fund Investments due to timing differences reported through the audit of Norfolk Pension Fund.
- The revised IAS19 valuation for 2021/22 following the 2022 Triennial Valuation shows that the current disclosures understate the net defined benefit liability by £3.891 million. Given the Triennial Valuation is performed each three years, Management will need to consider how this may have impacted the position as at 31 March 2021. Management are yet to provide a response to our request dated 3 May 2023 and therefore we are unable to conclude on the accuracy of this revised report and the impact on the 2020/21 financial year.

We request that you review these and other matters set out in this report to ensure:

- ▶ There are no residual further considerations or matters that could impact these issues
- ▶ You concur with the resolution of the issue
- ▶ There are no further significant issues you are aware of to be considered before the financial report is finalised

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Governance, Risk and Audit Committee or Management.



02 Areas of Audit Focus



Areas of Audit Focus

Significant risk

Misstatements due to fraud or error

What is the risk?

The financial statements as a whole are not free of material misstatements whether caused by fraud or error.

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

One area susceptible to manipulation is the capitalisation of revenue expenditure on Property, Plant and Equipment given the extent of the Council's capital programme. The specific procedures undertaken to address this are set out on the next page. This page details standard procedures we undertake to respond to the risk of fraud and error on every engagement.

What did we do and what judgements did we focus on?

Page 29
In order to address this risk we undertook the following audit procedures:

- ▶ Identified fraud risks during the planning stages.
- ▶ Inquired of management about risks of fraud and the controls put in place to address those risks.
- ▶ Documented our understanding the oversight given by those charged with governance of management's processes over fraud.
- ▶ Considered the effectiveness of management's controls designed to address the risk of fraud.
- ▶ Tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- ▶ Reviewed the accounting estimates for evidence of management bias.
- ▶ Evaluated the business rationale for significant unusual transactions

ISA 240 mandates we perform procedures on: accounting estimates, significant unusual transactions and journal entries to ensure they are appropriate and in line with expectations of the business.

What are our conclusions?

Our audit procedures identified that the Council does not have any formal procedure in place for the authorisation of journals before they are posted to the General Ledger. During the year, a control is in place that journals in excess of £0.100 million are subject to review before posting, however at year-end this procedure is lifted due to limited capacity within the finance team in this period. This represents a level of weakness in the Council's overall control environment and increases the risk of management override.

We did not identify any instances of inappropriate judgements being applied, or of any management bias in accounting estimates.

We have no matters to bring to your attention.



Areas of Audit Focus

Significant risk

Incorrect capitalisation of revenue expenditure (including Revenue Expenditure Funded from Capital Under Statute (REFCUS))

What is the risk?

Under ISA 240 there is a presumed risk that revenue may be misstated due to improper revenue recognition. In the public sector, this requirement is modified by Practice Note 10 issued by the Financial Reporting Council, which states that auditors should also consider the risk that material misstatements may occur by the manipulation of expenditure recognition.

We have identified an opportunity and incentive to capitalise expenditure under the accounting framework, to remove it from the general fund. In arriving at this conclusion we have considered the continuing pressure on the revenue budget and the financial value of its annual capital programme which is many times out materiality level.

This could then result in funding of that expenditure, that should properly be defined as revenue, through inappropriate sources such as capital receipts, capital grants, or borrowing.

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What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Obtained an analysis of capital additions in the year, reconciled it to the Fixed Assets Register (FAR), and reviewed the descriptions to identify whether there are any potential items that could be revenue in nature
- ▶ Sample tested additions to Property, Plant and Equipment to ensure that they have been correctly classified as capital and included at the correct value in order to identify any revenue items that have been inappropriately capitalised. There were no Investment Property additions.
- ▶ Sample tested REFCUS to ensure that transactions have been appropriately treated as REFCUS.
- ▶ Used our data analytics tool to identify and test journal entries that move expenditure from revenue codes into capital codes.

What are our conclusions?

We have completed our work in this area and have identified one difference to report. The Council have recognised a capital addition in respect of the purchase of a property recognised in 2020/21 for which the transaction did not complete until 2021/22. This will reduce the total Property, Plant and Equipment balance by £0.120 million.

We did not identify any issues in respect of our REFCUS testing.

We did not identify any instances of management override or fraud in respect of capitalisation of revenue expenditure.

We did not identify any journal entries that inappropriately moved expenditure from a revenue code to a capital code.



Areas of Audit Focus

Significant risk

Accounting for Covid-19 related grant funding

What is the risk?

In response to the Covid-19 pandemic, the Council have received significant levels of grant funding, both to support the Council and to pass on to local businesses. Each of these grants will have distinct restrictions and conditions that will impact the accounting treatment of these.

Given the volume of these grants, and the new conditions for the Council to understand the accounting impact of, there is a significant risk that these may be misclassified in the financial statements or inappropriately treated from an accounting perspective.

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What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Sample tested Government Grant income to ensure that they have been correctly classified as specific or non-specific in nature.
- ▶ Sample tested Government Grant income to ensure that they have been correctly classified in the financial statements based on any restrictions imposed by the funding body.
- ▶ Reviewed the instructions and conditions of a sample of grants to corroborate the Council's assessment of whether they were acting as an Agent or Principal in disbursing the grants
- ▶ Compared the Council's assessment of whether they were acting as agent or principal for a sample of Covid related grants to other Councils' assessment to determine whether North Norfolk District were an outlier in their treatment of any particular grant

What are our conclusions?

- We have completed our testing procedures on Covid-19 related grant funding. We have identified three misstatements:
 - Accounting for the Council Tax Hardship grant had been incorrectly treated on a net basis. This is to be included as income and expenditure in the accounts, instead of being treated 'net'. This will increase income and expenditure by £0.544 million.
 - Accounting for two Covid grants had incorrectly been treated as an 'agency' arrangement when the Council was acting as Principal. This adjustment will increase income and expenditure by £4.982 million.
 - The Council had accounted for Covid Grant income where Management have been unable to demonstrate that the Council have met the conditions required to recognise the amount has income. This will decrease income and increase creditors by £0.170 million.



Areas of Audit Focus

Significant risk

Accounting for Infrastructure Assets

What is the risk?

An issue has been raised via the NAO's Local Government Technical Group that some local authorities are not writing out the gross cost and accumulated depreciation on highways infrastructure assets when a major part/component has been replaced or decommissioned. This matter is currently under consideration by CIPFA, and will require some form of resolution for the 2019/20 audit to conclude.

As a result of not writing out gross cost and accumulated depreciation where components are replaced, or having the audit evidence to be able to prove that, there is a risk that, if this is the case for elements not fully depreciated, assets in the Balance Sheet could be overstated.

This issue is delaying the audit report for the 2019/20 audit. As a result, we have raised a Significant risk in this area.

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What did we do and what judgements did we focus on?

In order to address this risk we will carry out a range of procedures including:

- ▶ Continue to discuss the matter with the Council as guidance on accounting for Infrastructure Assets is updated;
- ▶ Understand the Infrastructure Assets balance and the individual assets comprising this balance;
- ▶ Understand the Council's process for writing out gross cost and accumulated depreciation on the Infrastructure Assets balance to determine whether this is materially correct at the Balance Sheet date; and
- ▶ Consider the reporting implications is sufficient appropriate audit evidence is not available to support the Council's accounting treatment.

What are our conclusions?

We concluded in 2019/20, that the Council have complied with the Code requirements on the derecognition of Infrastructure Assets.

In 2020/21, additions to infrastructure assets were immaterial and therefore we have concluded that the Council continues to meet the requirements of the Code.



Areas of Audit Focus

Inherent risk

Bad debt provision and recoverability of debtors

What is the risk?

As a result of the long term impact of Covid-19 and other market uncertainties there may be increased uncertainty around the recoverability of receivables. The provision for these bad debts is an estimate, and calculation requires management judgement.

We would expect the Council to revisit their provision for bad debt calculation in light of Covid-19 and assess the appropriateness of this estimation technique. Given that there might be some subjectivity to the recoverability of debtors the Council will need to consider the level of any provision for bad debts. We have therefore raised as an inherent risk in our audit strategy.

Page 33

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Reviewed the calculation of the bad debt provision for reasonableness and accuracy; and
- ▶ Considered the recoverability of debts in testing a sample of trade receivables;

What are our conclusions?

We have completed our testing procedures on the bad debt provision and recoverability of debtors.

Our work did not identify any issues with the reasonableness, accuracy or sufficiency of the bad debt provisions held. We have however identified that the Council had not posted a change in the estimate, of £0.083 million, to the General Ledger which is to be adjusted in the revised accounts.



Areas of Audit Focus

Inherent risk

Collection Fund Accounting

What is the risk?

During 2020-21, in response to the financial hardship faced by individuals and businesses, there may be lower levels of recovery of collection fund income.

There are also specific sectors including retail, hospitality and leisure that have received additional business rates relief for the financial year. There is therefore a risk of incorrect accounting based on the significant level of change in the year.

Page 34

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Performed an analytical review of collection fund income, building in any changes in relief as appropriate;
- ▶ Documented our understanding of the process for the raising of specific additional reliefs
- ▶ Reviewed the Collection Fund disclosures with respect to ongoing guidance in accounting requirements and for compliance with Code requirements

What are our conclusions?

We have completed our testing procedures on Collection Fund Accounting and have identified two differences to report:

- Management have corrected an audit difference in relation to the accounting for Collection Fund debtors, reducing the asset by £0.338 million, as a result of adjustments required to the Council's NNDR3 submission.
- Management have corrected for an under-accrual in respect of Section 31 Business Rate payments due from the Council per the NNDR3. This has been recognised as an Earmarked Reserve, but should have been reflected as a Creditor. This will increase Creditors and Earmarked Reserves by £4.480 million.



Areas of Audit Focus

Inherent risk

Valuation of Other Land & Buildings

What is the risk?

Other land and buildings (OLB) represents a significant balance in the Council's accounts (£37m at 31 March 2020) and is subject to valuation changes, impairment reviews and depreciation charges.

Management is required to make material judgemental inputs and apply estimation techniques to calculate the year-end balances recorded in the balance sheet.

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What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Considered the work performed by the Council's valuers (Wilkes Head & Eve), including the adequacy of the scope of the work performed, their professional capabilities and the results of their work;
- ▶ Sample tested key asset information used by the valuer in performing their valuation (e.g. floor plans to support valuations based on price per square metre);
- ▶ Considered the annual cycle of valuations to ensure that assets have been valued within a 5 year rolling programme as required by the Code for PPE, and that any changes were communicated to the valuer
- ▶ Reviewed assets not subject to valuation in 2020/21 to confirm that the remaining asset base was not materially misstated;
- ▶ Considered changes to useful economic lives as a result of the most recent valuation; and
- ▶ Tested accounting entries have been correctly processed in the financial statements.

What are our conclusions?

We have completed our testing procedures on the Valuation of Other Land & Buildings and have identified four differences to report:

- Management have corrected for a misstatement in respect of the revaluation of Cliff Top, Runton Road, which was revalued by Management's Expert but not posted to the Council's accounts. This will increase Property, Plant & Equipment by £0.069 million.
- Management have corrected for a misstatement in respect of the revaluation of three leisure centre assets, which were revalued by Management's Expert, but incorrect posted to the Council's accounts as there were multiple lines for each asset. This will decrease Property, Plant & Equipment by £1.553 million.



Areas of Audit Focus

Inherent risk

Valuation of Other Land & Buildings (cont.)

What are our conclusions? (continued)

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- Management have corrected for balances which have been held in Assets Under Construction but should be classified as expenditure as there is no support for this adding value to the underlying assets, which are separately held on the Balance Sheet. This will decrease Property, Plant & Equipment by £2.718 million.
- Management have corrected for valuation errors identified in the assumptions used for build life of assets valued under Depreciated Replacement Cost. This will decrease Property, Plant & Equipment by £0.674 million.

The impact of these errors was originally reflected in previous years accounts, as these balances have been held on the Fixed Asset Register for a number of years. As a result, Property, Plant and Equipment was overstated in the 2018/19 accounts by £1.320 million and in the 2019/20 accounts by £2.718 million. We have therefore considered the need for a Prior Period Adjustment, and concluded, on the grounds of qualitative and quantitative materiality, that adjustments to comparative figures would not be required, given the size of this adjustment relative to the Property, Plant and Equipment Balance. Adjustments have been made within the 2020/21 financial statements to correct these issues.

We have also raised two control recommendations linked to the Valuation of Other Land & Buildings. These can be found in Section 6 of this report.



Areas of Audit Focus

Inherent risk

National Non-Domestic Rates Appeals Provision

What is the risk?

The calculation of the NNDR Appeals Provision is estimate based.

Given the impact of Covid-19 on businesses seeking reductions in rateable values, there is a risk of material misstatement of the appeals provision due to the nature of the provision and the uncertainty around the full impact of Covid-19.

In light of this we consider there to be an inherent risk of misstatement of the Council's NNDR appeals provision.

Page 37

What did we do and what judgements did we focus on?

In order to address this risk we undertook the following audit procedures:

- ▶ Confirmed that the Council calculate the appeals provision in house, without use of an NNDR appeals provision specialist; and
- ▶ Assessed the reasonableness of the assumptions and calculations made by the Council on the NNDR appeals provision;

What are our conclusions?

We have completed our testing procedures on the National Non-Domestic Rates Appeals Provision. Whilst the Council were unable to support the assumptions used in the original calculation of the Appeals Provision, a revised calculation has been performed and demonstrated that the provision held was materially correct. We have no further matters to report.



Areas of Audit Focus

Inherent risk

Pension Liability Valuation & other pension disclosures

What is the risk?

The Authority makes extensive disclosures within its financial statements regarding its membership of Norfolk Pension Fund Scheme administered by Norfolk County Council. At 31 March 2021 the liability totalled £59 million.

The information disclosed is based on the IAS 19 report issued to the Authority by the actuary to the Norfolk Pension Fund.

Accounting for this scheme involves significant estimation and judgement and therefore management engages an actuary to undertake the calculations on their behalf. We undertake procedures on the use of management experts and the assumptions underlying fair value estimates.

What did we do and what judgements did we focus on?

Page 38 In order to address this risk we undertook the following audit procedures:

- ▶ Liaised with the auditors of Norfolk Pension Fund, to obtain assurances over the information supplied to the actuary in relation to North Norfolk District Council;
- ▶ Assessed the work of the Pension Fund actuary (Hymans Robertson) including the assumptions they have used, by relying on the work of PwC - Consulting Actuaries commissioned by the National Audit Office for all local government sector auditors, and by considering any relevant reviews by the EY actuarial team; and
- ▶ Reviewed and tested the accounting entries and disclosures made within North Norfolk District's financial statements in relation to IAS19, considering Fund assets and the Council's liability.

What are our conclusions?

We have reviewed the assessment of the Pension Fund actuary by PwC and EY Pensions and have undertaken the work required without identifying any issues.

We have agreed the Council's IAS 19 disclosures to the actuaries' report to ensure these are fairly stated in the accounts.

The Norfolk Pension Fund auditor highlighted a significant movement in the valuation of Investment Assets of the Pension Fund, in their assurance letter to us.

As a result, the Council have received an updated IAS19 report from the Actuary to determine the impact on the Council's Pension Liability. The financial statements have been updated for this revised figure, reducing the net liability by £0.818 million.

Subsequently, the actuary for Norfolk Pension Fund has completed the 2022 Triennial Valuation Report, and as a result the Council have obtained a revised IAS19 report for 2021/22 (noting that it is not possible to re-run the report as at the balance sheet date, given the Triennial Revaluation is effective from 1 April 2022. This shows an understatement of the net defined benefit liability by £3.891 million. Management are yet to provide a response to our request dated 3 May 2023 and therefore we are unable to conclude on the accuracy of this revised report, or the impact that this has on the position at 31 March 2021.



03 Audit Report



Our proposed opinion on the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH NORFOLK DISTRICT COUNCIL

Opinion

We have audited the financial statements of North Norfolk District Council for the year ended 31 March 2021 under the Local Audit and Accountability Act 2014. The financial statements comprise the Expenditure and Funding Analysis, Movement in Reserves Statement, Comprehensive Income and Expenditure Statement, Balance Sheet, Cash Flow Statement and the related notes 1 to 41 and the Collection Fund and the related notes 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

In our opinion the financial statements:

- ▶ give a true and fair view of the financial position of North Norfolk District Council as at 31 March 2021 and of its expenditure and income for the year then ended; and
- ▶ have been prepared properly in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Comptroller and Auditor General's (C&AG) AGN01, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the authority's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the authority's ability to continue as a going concern.



Our proposed opinion on the financial statements

Other information

The other information comprises the information included in the 'Statement of Accounts 2020/2021', other than the financial statements and our auditor's report thereon. The Chief Financial Officer is responsible for the other information contained within the 'Statement of Accounts 2020/2021'.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we report by exception

We report to you if:

- ▶ in our opinion the annual governance statement is misleading or inconsistent with other information forthcoming from the audit or our knowledge of the Council;
- ▶ we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- ▶ we make written recommendations to the audited body under Section 24 of the Local Audit and Accountability Act 2014;
- ▶ we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014;
- ▶ we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014;
- ▶ we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014;
- ▶ we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We have nothing to report in these respects.

Responsibility of the Chief Financial Officer

As explained more fully in the 'Statement of Responsibilities' set out on pages 1 to 2, the Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, and for being satisfied that they give a true and fair view and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



Our proposed opinion on the financial statements

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to cease operations, or have no realistic alternative but to do so.

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Council and determined that the most significant are:

- ▶ Local Government Act 1972,
- ▶ Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992),
- ▶ Local Government Act 2003,
- ▶ The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended in 2018 and 2020,
- ▶ The Local Government Finance Act 2012,
- ▶ The Local Audit and Accountability Act 2014, and
- ▶ The Accounts and Audit Regulations 2015.

In addition, the Council has to comply with laws and regulations in the areas of anti-bribery and corruption, data protection, employment legislation, tax legislation, general power of competence, procurement and health & safety.

We understood how North Norfolk District Council is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance, including inquiring of management, the Head of Internal Audit, those charged with governance and obtaining and reading documentation relating to the procedures in place to identify, evaluate and comply with laws and regulations, and whether they are aware of instances of non-compliance.



Our proposed opinion on the financial statements

We corroborated this through our reading of the Council's committee minutes, Council policies and procedures and other information. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures had a focus on compliance with the accounting framework through obtaining sufficient audit evidence in line with the level of risk identified and with relevant legislation.

We assessed the susceptibility of the Council's financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise.

Based on our risk assessment procedures, we identified inappropriate capitalisation of revenue expenditure and management override of controls to be our fraud risks.

To address our fraud risk of inappropriate capitalisation of revenue expenditure we tested the authority's capitalised expenditure to ensure the capitalisation criteria were properly met and the expenditure was genuine.

To address our fraud risk of management override of controls, we tested specific journal entries identified by applying risk criteria to the entire population of journals. For each journal selected, we tested the appropriateness of the journal and that it was accounted for appropriately. We assessed accounting estimates for evidence of management bias and evaluated the business rationale for significant unusual transactions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified reporting criteria issued by the Comptroller and Auditor General (C&AG) in April 2021, as to whether North Norfolk District Council had proper arrangements for financial sustainability, governance and improving economy, efficiency and effectiveness. The Comptroller and Auditor General determined these criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether North Norfolk District Council put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2021.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, North Norfolk District Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.



Our proposed opinion on the financial statements

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have issued our Auditor's Annual Report for the year ended 31 March 2021. We have completed our work on the value for money arrangements and will report the outcome of our work in our commentary on those arrangements within the Auditor's Annual Report.

Until we have completed these procedures, we are unable to certify that we have completed the audit of the accounts in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office.



04 Audit Differences





Audit Differences

In the normal course of any audit, we identify misstatements between amounts we believe should be recorded in the financial statements and the disclosures and amounts actually recorded. These differences are classified as “known” or “judgemental”. Known differences represent items that can be accurately quantified and relate to a definite set of facts or circumstances. Judgemental differences generally involve estimation and relate to facts or circumstances that are uncertain or open to interpretation.

Summary of adjusted differences

We highlight misstatements greater than £60,000 which have been corrected by management that were identified during the course of our audit.

- ▶ Property, Plant & Equipment
 - ▶ Management have corrected differences amounting to £0.242 million in respect of a land asset that was incorrectly classified as an ‘Asset Held for Sale’ instead of as a ‘Surplus Asset’.
 - ▶ Management have corrected differences amounting to £0.120 million in respect of the purchase of a property recognised in 2020/21, for which the transaction did not complete until 2021/22. This will reduce the total Property, Plant and Equipment balance by £0.120 million.
 - ▶ Management have corrected for a difference in respect of the revaluation of Cliff Top, Runton Road, which was revalued by Management’s Expert but not posted to the Council’s accounts. This will increase Property, Plant & Equipment by £0.069 million.
 - ▶ Management have corrected for a difference in respect of the revaluation of three leisure centre assets, which were revalued by Management’s Expert, but incorrect posted to the Council’s accounts as there were multiple lines for each asset. This will decrease Property, Plant & Equipment by £1.553 million.
 - ▶ Management have corrected for balances which have been held in Assets Under Construction but that should be expenditure as there is no support for this adding value to the underlying assets, which are separately held on the Balance Sheet. This will decrease Property, Plant & Equipment by £2.718 million.
 - ▶ Management have corrected for valuation errors identified in the assumptions used for build life of assets valued under Depreciated Replacement Cost basis. This will decrease Property, Plant & Equipment by £0.674 million.
 - ▶ Management have corrected for a misclassification of the Deep History Coast project asset. This was held as an Asset Under Construction at the balance sheet date, however this became operational during 20/21. This will increase infrastructure assets and reduce Assets Under Construction by £0.722 million.
 - ▶ Management have corrected for misclassifications of elements of the Cromer Pier. This asset was split across Asset Under Construction, Infrastructure and Community Assets. This will ultimately be classified as a Community Asset and therefore Assets Under Construction will decrease by £1.689 million, Infrastructure will decrease by £0.074 million and Community Assets will increase by £1.764 million.
- ▶ Grant Income
 - ▶ Management have corrected a difference in respect of accounting for the Council Tax Hardship grant. This is to be included as income and expenditure in the accounts, instead of being treated on a net basis. This will increase income and expenditure by £0.544 million.
 - ▶ Management have corrected differences in respect of Covid Grant funding. This is to be included as income and expenditure in the accounts, through treatment of this as a principal grant, instead of being treated net as an agency arrangement. This will increase income and expenditure by £4.982 million.
 - ▶ Management have corrected a difference in respect of Covid Grant income, where they have been unable to demonstrate that they have met the conditions required to recognise the amount has income. This will decrease income and increase creditors by £0.170 million.



Audit Differences

Summary of adjusted differences (continued)

- ▶ Pension Liability - Management have corrected an audit difference in relation to the Pension Liability reducing the liability by £0.818 million, as a result of increases in the valuation of Pension Fund Investments due to timing differences reported through the audit of Norfolk Pension Fund.
- ▶ Receivables - Management have corrected for misstatements in relation to the Bad Debt Provision (Receivables Impairment), where a revised Bad Debt Provision had been calculated but not posted to the General Ledger. This will increase the Net Debtors (reduce the Gross Debtor) balance by £0.085 million.
- ▶ Support Service Charges - Management have corrected for misstatements in respect of the 'grossing up' of support service charges. This will reduce both income and expenditure by £1.564 million.
- ▶ Collection Fund Creditors - Management have corrected for an under-accrual in respect of Section 31 Business Rate payments due from the Council per the NNDR3. This has been recognised as an Earmarked Reserve, but should have been reflected as a Creditor. This will increase Creditors and Earmarked Reserves by £4.480 million.
- ▶ Collection Fund Debtors - Management have corrected for a misstatement in respect of the closing Collection Fund position, linked to errors identified in the prior year audit that has required revisions to the NNDR3 model. This will reduced debtors by £0.339 million.

We have also identified a number of minor disclosure amendments in the draft financial statements which management has chosen to adjust. We have judged that only the requirement for updating the COVID-19 grants disclosure note, amendments to the Related Parties disclosure and an update to the Officer's Remuneration note require flagging to the Governance, Risk and Audit Committee in this report.

- COVID-19 grants - We identified the need for Management to amend the disclosure (Note 41) to reflect considerations for all material grants received by the Council.
- Related Parties - We identified that the Council have transposed the figures for Broads Internal Drainage Board and North Norfolk Sports Centres, which is to be adjusted in the final accounts. We also identified the 'Visit Norfolk' total had been understated by £0.005 million, and the largest transaction should be reflected as Broadland District Council at £0.057 million.
- Officer's Remuneration - We identified that Note 22 was unclear in respect of amounts paid to individuals, and the Council are therefore to amend the presentation of this disclosure note.

Summary of unadjusted differences

There are no uncorrected material misstatements identified as part of our audit at the time of drafting this report.



05 Value for Money



Value for money

The Council's responsibilities for value for money (VFM)

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 its financial statements, the Council is required to bring together commentary on its governance framework and how this has operated during the period in a governance statement. In preparing its governance statement, the Council tailors the content to reflect its own individual circumstances, consistent with the requirements set out in the Cipfa code of practice on local authority accounting. This includes a requirement to provide commentary on its arrangements for securing value for money from their use of resources.

Risk assessment

We have completed our initial VFM planning and risk assessment and we have not identified any significant weaknesses in the Council's arrangements.

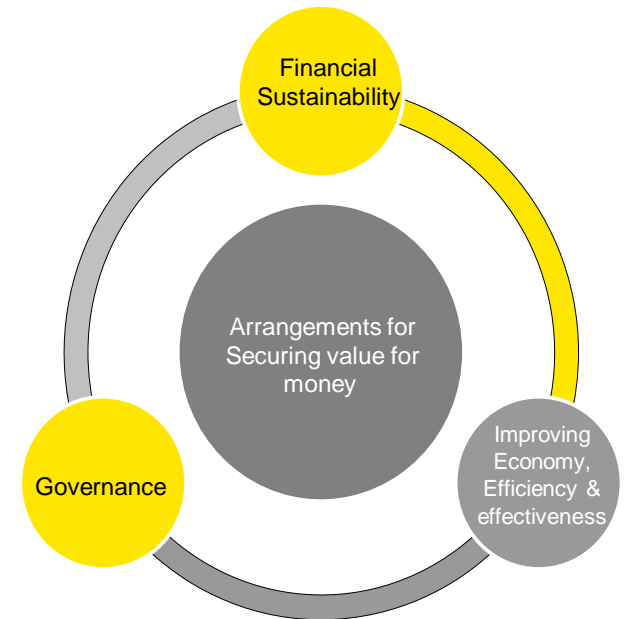
We will revisit our procedures during the completion of our audit of the financial statements, and confirm whether we have identified any risks of significant weaknesses against the three reporting criteria we are required to consider under the NAO's 2020 Code.

Whilst we did not identify any risks of significant weaknesses in respect of the Council's arrangements for 2020/21, we have performed additional procedures in respect of the findings from our 2019/20 reporting, as well as in respect of cancellation of the Cromer Sports Hub Project. We did not identify any risks of significant weakness in respect of these areas.

Status of our VFM work

We are yet to complete the full set of our planned VFM procedures, but currently have no matters to report 'by exception' in our Auditor's Report (See Section 3).

We will issue our commentary on the Council's VFM arrangements within our Auditor's Annual Report, which we plan to issue by the end of August 2023.





06 Other reporting issues

Other reporting issues

Other reporting issues

Consistency of other information published with the financial statements, including the Annual Governance Statement

We must give an opinion on the consistency of the financial and non-financial information in the Narrative Report with the audited financial statements. Financial information in the Narrative Report and published with the financial statements was consistent with the audited financial statements, subject to completion of our final audit procedures on the Narrative Report.

We must also review the Annual Governance Statement for completeness of disclosures, consistency with other information from our work, and whether it complies with relevant guidance. We have reviewed the Annual Governance Statement and can confirm it is consistent with other information from our audit of the financial statements and we have no other matters to report.

Whole of Government Accounts

Alongside our work on the financial statements, we also review and report to the National Audit Office on your Whole of Government Accounts return. The extent of our review, and the nature of our report, is specified by the National Audit Office.

We did not perform the procedures required by the National Audit Office (NAO) on the Whole of Government Accounts submission as the submission deadline for this has now passed with the Whole of Government Accounts being published on 20 July 2023. We do not therefore have any issues to report in respect of our responsibilities in this area.

Other powers and duties

We have a duty under the Local Audit and Accountability Act 2014 to consider whether to report on any matter that comes to our attention in the course of the audit, either for the Authority to consider it or to bring it to the attention of the public (i.e. “a report in the public interest”).

We have not received any formal questions or objections to the Council’s financial statements, following the required Inspection Period.

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

We also have a duty to make written recommendations to the Council, copied to the Secretary of State, and take action in accordance with our responsibilities under the Local Audit and Accountability Act 2014. We did not identify any issues and have not had course to use this duty.

Other reporting issues

Other reporting issues

Other matters

As required by ISA (UK&I) 260 and other ISAs specifying communication requirements, we must tell you significant findings from the audit and other matters if they are significant to your oversight of the Authority's financial reporting process. They include the following:

- ▶ Significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures;
- ▶ Any significant difficulties encountered during the audit;
- ▶ Any significant matters arising from the audit that were discussed with management;
- ▶ Written representations we have requested;
- ▶ Expected modifications to the audit report;
- ▶ Any other matters significant to overseeing the financial reporting process;
- ▶ Related parties;
- ▶ External confirmations;
- ▶ Going concern;
- ▶ Consideration of laws and regulations.

We have no other matters to report.

We would like to draw your attention to the following issues identified through our audit:

- The Council did not complete the CIPFA Disclosure Checklist at the time of accounts production and we believe that this would be a valuable closedown exercise to ensure that all the requirements are addressed within the draft financial statements.
- The Council were unable to evidence that, at the time of accounts production, that the Statement of Accounts had been subject to review by a Senior Officer within the Council.
- The Council does not have any formal procedure in place for the authorisation of journals before they are posted to the General Ledger. During the year, a control is in place that journals in excess of £0.100 million are subject to review before posting, however at year-end this procedure is also lifted due to limited capacity within the finance team in this period.
- The Council's Fixed Asset Register holds a number of line items which relate to multiple properties, as well as multiple line items for the same asset. Whilst holding one line item for multiple properties has not lead to an audit adjustment, these should be sufficiently disaggregated to ensure future revaluations and other asset movements are accounted for appropriately.
- The Council's rolling programme of asset valuations demonstrated that £0.245 million of Surplus Assets and £0.151 million of Other Land & Buildings had not been subject to revaluation within the five year rolling period prescribed by the Code. Whilst we have been able to perform sufficient procedures to gain assurance over the material accuracy of these assets, the Council should ensure that all assets are subject to revaluation within a five year rolling period.

Other reporting issues

Other matters

As a result, we have raised the following **recommendations**:

Recommendation 1 - We recommend that the Council prepares a full CIPFA Disclosure Checklist, as part of its closedown procedures, in advance of publishing future draft Statement of Accounts, to demonstrate that the Statement of Accounts are compliant with the CIPFA Code of Practice.

Recommendation 2 - We recommend that the Director for Resources documents their review of the Statement of Accounts prior to publication, to demonstrate that the Statement of Accounts have been subject to appropriate review and approval.

Recommendation 3 - We recommend that the Council initiates a control to authorise all journals before they are posted to the General Ledger.

Recommendation 4 - We recommend that the Council reviews the full Fixed Asset Register to ensure that asset lines within the Fixed Asset Register are disaggregated or combined at an appropriate level to ensure that future adjustments will be recorded appropriately

Recommendation 5 - We recommend that the Council reviews the rolling programme of asset revaluations to ensure that all assets subject to revaluation by the requirements of the Code, are revalued at least every five years.



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Independence

Relationships, services and related threats and safeguards

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 1st April 2020 to the date of this report, which we consider may reasonably be thought to bear on our independence and objectivity.

Services provided by Ernst & Young

The next page includes a summary of the fees that you have paid to us in the year ended 31 March 2021 in line with the disclosures set out in FRC Ethical Standard and in statute. Full details of the services that we have provided are in the next page. Further detail of all fees has been provided to the Governance, Risk and Audit Committee.

As at the date of this report, there are no future services which have been contracted and no written proposal to provide non-audit services has been submitted.

In addition to our audit of the accounts, we will also be performing the Reporting Accounting role for the certification of North Norfolk District's 2020/21 Housing benefits claim. We have adopted the necessary safeguards in our completion of this work and complied with Auditor Guidance Note 1 issued by the NAO in May 2020. We confirm that we have not undertaken any additional non-audit work.

Other communications

EY Transparency Report 2022

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 2022:

[EY UK 2022 Transparency Report | EY UK](#)

Relationships, services and related threats and safeguards

Services provided by Ernst & Young

	Planned fee 2020/21	Scale fee 2020/21	Final Fee 2019/20
	£'s	£'s	£'s
Total Fee - Code work	41,667	41,667	41,667
Changes in work required to address professional and regulatory requirements and scope associated with risk (see Note 1)	35,298		28,238
Revised Proposed Scale Fee	76,965	41,667	69,905
Additional work:			
2019/20 Additional Procedures required and as reported within the Annual Audit Letter (Note 2)	-	-	31,840
2020/21 Additional Procedures required in response to the additional risks identified in this Audit Plan in respect of: Accounting for Covid-19 related Government Grant income, NDR Appeals provision, Collection Fund Accounting, Recoverability of Receivables, Going Concern & Investment Property Valuations and delays in servicing the audit.	Note 3	-	
Total fees	TBC	41,667	101,745

All fees exclude VAT

Note 1 - For 2019/20 we proposed an increase to the scale fee to reflect the increased level of audit work required which has been impacted by a range of factors, as detailed in our 2019/20 Audit Results Report. Our proposed increase has been discussed with management and has now been determined by PSAA. For 2020/21 the scale fee has again been re-assessed to take into account the same recurring risk factors as in 2019/20 and is subject to approval by PSAA Ltd. The 2020/21 amount reflects the same amount of work at the revised PSAA rate per hour for 2020/21.

Note 2 - The 2019/20 Additional Procedures fee was reported in our Annual Audit Letter. We submitted a Scale Fee Variation, reflecting the full cost of the audit, of £81,541. PSAA approved a final Scale Fee Variation £60,078 on 27 February 2023.

Note 3 - As set out in this report, we have had to perform additional audit procedures to respond to the financial reporting an associated audit risks pertaining to Covid-19. As we are concluding our work in relation to these areas, we cannot quantify the fee impact at this time. We will provide an update on the additional fee implications at the conclusion of the audit and report this within the Annual Audit Letter.







08 Appendices

Appendix A

Required communications with the Governance, Risk and Audit Committee

There are certain communications that we must provide to the those charged with governance of UK entities. We have detailed these here together with a reference of when and where they were covered:

			 Our Reporting to you
Required communications	 What is reported?	  When and where	
Terms of engagement	Confirmation by the Governance, Risk and Audit Committee of acceptance of terms of engagement as written in the engagement letter signed by both parties.	The statement of responsibilities serves as the formal terms of engagement between the PSAA's appointed auditors and audited bodies	
Our responsibilities	Reminder of our responsibilities as set out in the engagement letter.	Initial Audit Plan - 06 September 2022	
Planning and audit approach	Communication of the planned scope and timing of the audit, any limitations and the significant risks identified. When communicating key audit matters this includes the most significant risks of material misstatement (whether or not due to fraud) including those that have the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.	Initial Audit Plan - 06 September 2022	
Significant findings from the audit	<ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	Initial Audit Plan - 06 September 2022	

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Going concern	<p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty related to going concern ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The appropriateness of related disclosures in the financial statements 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Misstatements	<ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion, unless prohibited by law or regulation ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ Material misstatements corrected by management 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Subsequent events	<ul style="list-style-type: none"> ▶ Enquiry of the audit committee where appropriate regarding whether any subsequent events have occurred that might affect the financial statements. 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023





Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Fraud	<ul style="list-style-type: none"> ▶ Enquiries of the audit committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ Unless all of those charged with governance are involved in managing the entity, any identified or suspected fraud involving: <ol style="list-style-type: none"> a. Management; b. Employees who have significant roles in internal control; or c. Others where the fraud results in a material misstatement in the financial statements. ▶ The nature, timing and extent of audit procedures necessary to complete the audit when fraud involving management is suspected ▶ Any other matters related to fraud, relevant to the Governance, Risk and Audit Committee responsibility. 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Related parties	<p>Significant matters arising during the audit in connection with the entity's related parties including, when applicable:</p> <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Independence	<p>Communication of all significant facts and matters that bear on EY's, and all individuals involved in the audit, objectivity and independence.</p> <p>Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<p>Initial Audit Plan - 06 September 2022</p> <p>Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023</p>

Appendix A

		Our Reporting to you
Required communications	What is reported?	When and where
Page 61	<p>Communications whenever significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place.</p> <p>For public interest entities and listed companies, communication of minimum requirements as detailed in the FRC Revised Ethical Standard 2019:</p> <ul style="list-style-type: none"> ▶ Relationships between EY, the company and senior management, its affiliates and its connected parties ▶ Services provided by EY that may reasonably bear on the auditors' objectivity and independence ▶ Related safeguards ▶ Fees charged by EY analysed into appropriate categories such as statutory audit fees, tax advisory fees, other non-audit service fees ▶ A statement of compliance with the Ethical Standard, including any non-EY firms or external experts used in the audit ▶ Details of any inconsistencies between the Ethical Standard and Group's policy for the provision of non-audit services, and any apparent breach of that policy ▶ Where EY has determined it is appropriate to apply more restrictive rules than permitted under the Ethical Standard ▶ The audit committee should also be provided an opportunity to discuss matters affecting auditor independence 	
External confirmations	<ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures. 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Consideration of laws and regulations	<ul style="list-style-type: none"> ▶ Subject to compliance with applicable regulations, matters involving identified or suspected non-compliance with laws and regulations, other than those which are clearly inconsequential and the implications thereof. Instances of suspected non-compliance may also include those that are brought to our attention that are expected to occur imminently or for which there is reason to believe that they may occur ▶ Enquiry of the audit committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the audit committee may be aware of 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023




Appendix A

		 Our Reporting to you
Required communications	 What is reported?	  When and where
Significant deficiencies in internal controls identified during the audit	<ul style="list-style-type: none"> ▶ Significant deficiencies in internal controls identified during the audit. 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Written representations we are requesting from management and/or those charged with governance	<ul style="list-style-type: none"> ▶ Written representations we are requesting from management and/or those charged with governance 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Material inconsistencies or misstatements of fact identified in other information which management has refused to revise	<ul style="list-style-type: none"> ▶ Material inconsistencies or misstatements of fact identified in other information which management has refused to revise 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023
Auditors report	<ul style="list-style-type: none"> ▶ Key audit matters that we will include in our auditor's report ▶ Any circumstances identified that affect the form and content of our auditor's report 	Audit Results Report - 28 November 2022 and Audit Results Report - Addendum Update - 4 September 2023

Appendix B

Outstanding matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

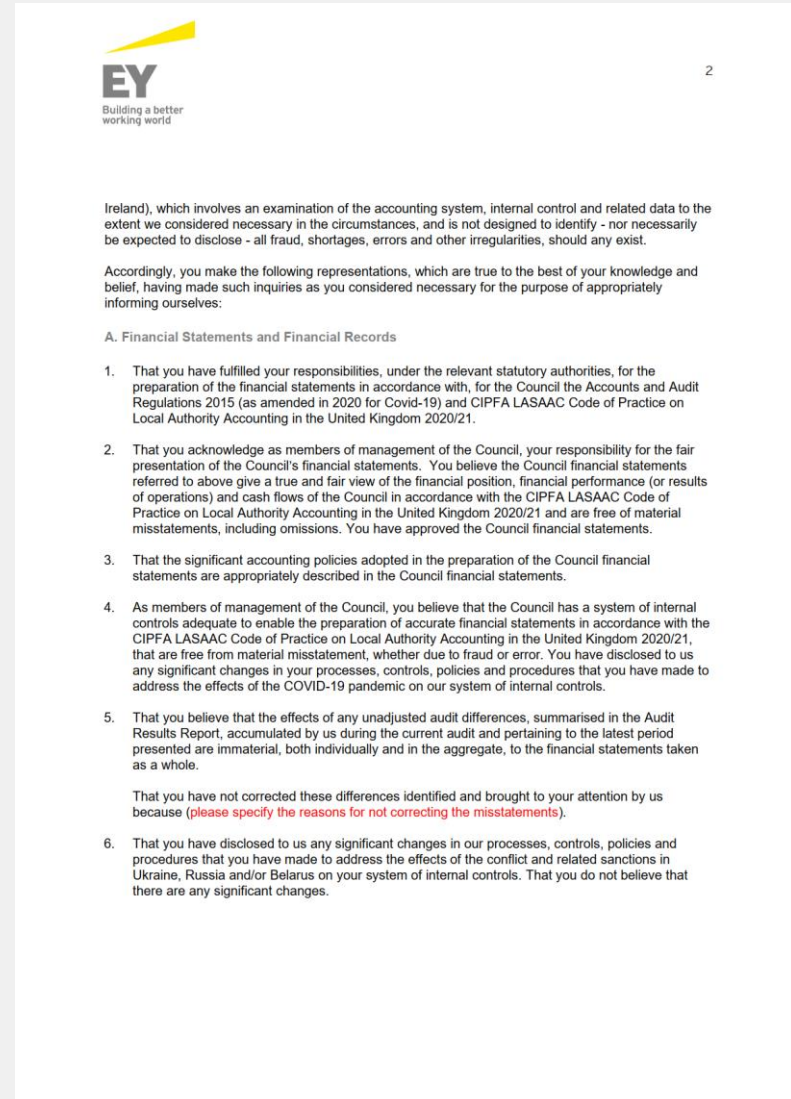
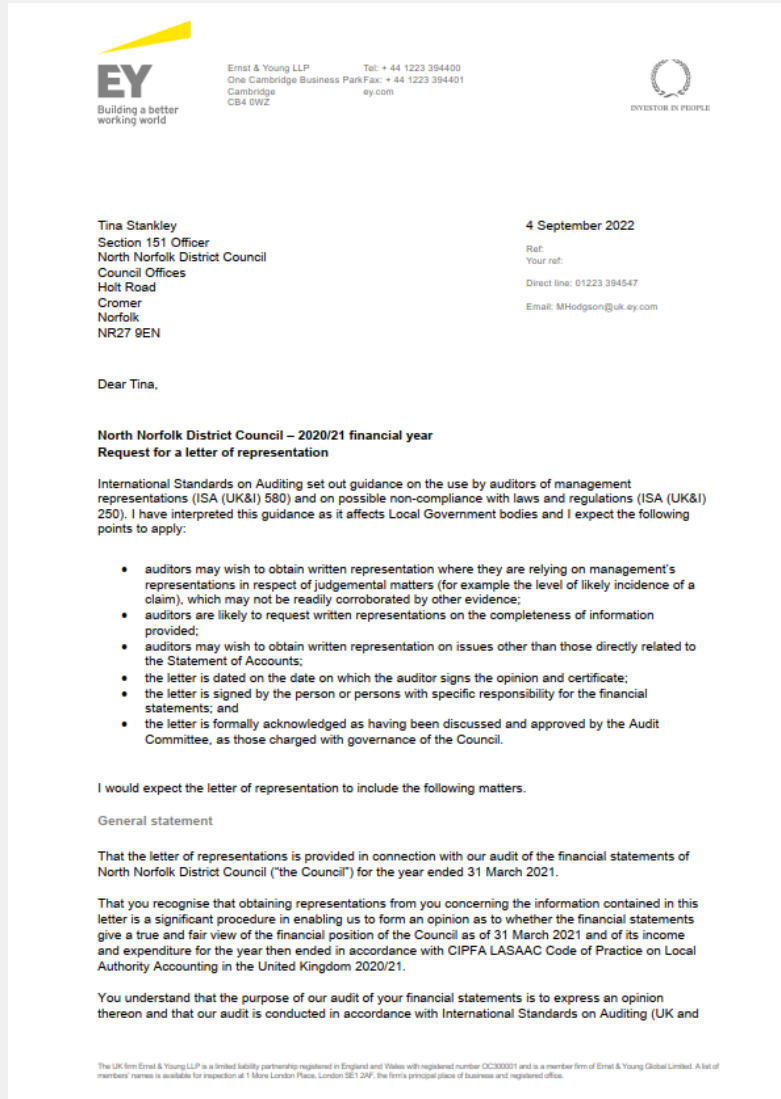
Item 	Actions to resolve 	Responsibility 
Receipt of management representation letter	Management to prepare and provide us with their representation letter for the 2020/21 audit	Management
Subsequent events procedures	Extension of some audit procedures like review of minutes and testing for unrecorded liabilities and provisions up to the date of our auditor's report	EY and management
Checks to the final amended set of accounts	Management to respond to EY query dated 3 May 2023 in respect of understanding and explanation for movement in the IAS 19 report as a result of the Triennial Valuation.	Management
	EY to receive final set of accounts with all audit adjustments, and review it for consistency with our schedule of misstatements	EY and management

Until all our audit procedures are complete, we cannot confirm the final form of our audit opinion as new issues may emerge or we may not agree on final detailed disclosures in the Annual Report. At this point no issues have emerged that would cause us to modify our opinion, but we should point out that key disclosures on going concern remain to be finalised and audited. A draft of the current opinion (with outstanding areas highlighted) is included in Section 3.



Appendix C - Request for a Management representation letter

Management Rep Letter





Appendix C - Request for a Management representation letter

Management Rep Letter



B. Non-compliance with law and regulations, including fraud

1. That you acknowledge that you are responsible to determine that the Council's activities are conducted in accordance with laws and regulations and that you are responsible for identifying and addressing any non-compliance with applicable laws and regulations, including fraud.
2. That you acknowledge that you are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.
3. That you have disclosed to us the results of our assessment of the risk that the Council financial statements may be materially misstated as a result of fraud.
4. You have no knowledge of any identified or suspected non-compliance with laws and regulations, including fraud that may have affected the Council (regardless of the source or form and including without limitation, any allegations by "whistleblowers") including non-compliance matters:
 - involving financial statements;
 - related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Council's financial statements;
 - related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Council's activities, its ability to continue to operate, or to avoid material penalties;
 - involving management, or employees who have significant roles in internal controls, or others; or
 - in relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, analysts, regulators or others.

C. Information Provided and Completeness of Information and Transactions

1. You have provided us with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters as agreed in terms of the audit engagement.
 - Additional information that we have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom we determined it necessary to obtain audit evidence.
2. That all material transactions, events and conditions have been recorded in the accounting records and are reflected in the Group and Council financial statements, including those related to the COVID-19 pandemic and to the conflict and related sanctions in Ukraine, Russia and/or Belarus.
3. That you have made available to us all minutes of the meetings of the Council and its relevant committees (or summaries of actions of recent meetings for which minutes have not yet been prepared) held through the year to the most recent meeting on the following date: 12 September 2023.



4. That you confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Council's related parties and all related party relationships and transactions of which you are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the Council's financial statements.
5. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
6. That you have disclosed to us, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the Council's financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
7. That from the date of your last management representation letter to us, through the date of this letter, you have disclosed to us any unauthorized access to your information technology systems that either occurred or to the best of your knowledge is reasonably likely to have occurred based on your investigation, including of reports submitted to you by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to your information technology systems is reasonably likely to have a material impact to the financial statements, in each case or in the aggregate.

D. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to us and are appropriately reflected in the Council's financial statements.
2. That you have informed us of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.
3. That you have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in the Council's financial statements (please specify the Notes) all guarantees that you have given to third parties.

E. Subsequent Events

1. That other than the disclosure described in Note 5 (Events after the balance sheet date) to the Group and Council's financial statements, there have been no events, including events related to the COVID-19 pandemic, or related to the conflict and related sanctions in Ukraine, Russia and/or Belarus, subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.


F. Other information

1. You acknowledge your responsibility for the preparation of the other information. The other information comprises the Narrative Report included in the Statement of Accounts 2020-21.
2. You confirm that the content contained within the other information is consistent with the financial statements.



Appendix C - Request for a Management representation letter

Management Rep Letter

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G. Accounting Estimates

1. That you believe that the significant assumptions you used in making accounting estimates, including those measured at fair value, are reasonable.
2. In respect of accounting estimates recognised or disclosed in the financial statements:
 - That you believe the measurement processes, including related assumptions and models, you used in determining accounting estimates is appropriate and the application of these processes is consistent.
 - That the disclosures relating to accounting estimates are complete and appropriate in accordance with the applicable financial reporting framework.
 - That the assumptions you used in making accounting estimates appropriately reflects your intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures.
 - That no subsequent event requires an adjustment to the accounting estimates and disclosures included in the financial statements.

H. Expenditure Funding Analysis

1. You confirm that the financial statements reflect the operating segments reported internally to the Council.

I. Going Concern

1. That the Council has prepared the financial statements on a going concern basis and that Note 41 - Going Concern to the financial statements discloses all of the matters of which you are aware that are relevant to the Council's ability to continue as a going concern, including significant conditions and events, your future financial plans and the veracity of the associated future funding allocations from the Department for Levelling Up, Housing and Communities, the sufficiency of cash flows to support those financial plans.

J. Ownership of Assets


1. That except for assets recognised as right-of-use assets in accordance with IFRS 16 Leases, the Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.

K. Reserves

1. You have properly recorded or disclosed in the Council's financial statements the useable and unusable reserves.

L. Valuation of Property, Plant and Equipment Assets

1. That you agree with the findings of the experts engaged to evaluate the valuation of the Council's Property, Plant and Equipment and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included within the Council's financial statements and the

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underlying accounting records. That you did not give or cause any instructions to be given to the experts with respect to the values or amounts derived in an attempt to bias their work, and that you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the experts.

2. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
3. You confirm that the significant assumptions used in making the valuation of Property, Plant and Equipment appropriately reflect your intent and ability to carry out specific courses of action on behalf of the entity.
4. You confirm that the disclosures made in the Council's financial statements with respect to the accounting estimate(s) are complete, including the effects of the Covid-19 pandemic on Property, Plant and Equipment valuations and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
5. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Council's financial statements due to subsequent events, including due to the Covid-19 pandemic.
6. You confirm that you have performed a desktop review of all assets not subject to revaluation as part of the 5 year rolling programme for valuations and that each asset category is not materially misstated.
7. You confirm that for assets carried at historic cost, that no impairment is required.

M. Retirement benefits

1. That on the basis of the process established by you and having made appropriate enquiries, you are satisfied that the actuarial assumptions underlying the pension scheme liabilities are consistent with your knowledge of the business. All significant retirement benefits and all settlements and curtailments have been identified and properly accounted for.
2. You agree with the findings of the specialists that you engaged to evaluate the Valuation of Pension Liabilities and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Council's financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.
3. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.
4. You confirm that the significant assumptions used in making the valuation of the pension scheme liability appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.



Appendix C - Request for a Management representation letter

Management Rep Letter

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5. You confirm that the disclosures made in the Council's financial statements with respect to the accounting estimate(s) are complete, including the effects of the Covid-19 pandemic on the Pension Scheme Liability and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

6. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Council's financial statements due to subsequent events, including due to the Covid-19 Pandemic.

N. Other Estimates – NDR Appeals provision

1. That on the basis of the process established by you and having made appropriate enquiries, you are satisfied that the assumptions underlying the NDR Appeals provision are consistent with your knowledge of the business.

2. You agree with the findings of the specialists that you engaged to evaluate the NDR Appeals provision and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Council's financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

3. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

4. You confirm that the significant assumptions used in making the valuation of the NDR Appeals provision appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.

5. You confirm that the disclosures made in the Council's financial statements with respect to the accounting estimate(s) are complete, including the effects of the Covid-19 pandemic on the NDR Appeals Provision and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

6. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Council's financial statements due to subsequent events, including due to the Covid-19 Pandemic.

O. Other Estimates – Expected Credit Losses

1. That on the basis of the process established by you and having made appropriate enquiries, you are satisfied that the assumptions underlying the Expected Credit Losses are consistent with your knowledge of the business.

2. You agree with the findings of the specialists that you engaged to evaluate the Expected Credit Losses and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the Council's financial statements and the underlying accounting records. You did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and you are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.



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3. You believe that the measurement processes, including related assumptions and models, used to determine the accounting estimate(s) have been consistently applied and are appropriate in the context of the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

4. You confirm that the significant assumptions used in making the valuation of the Expected Credit Losses appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity.

5. You confirm that the disclosures made in the Council's financial statements with respect to the accounting estimate(s) are complete, including the effects of the Covid-19 pandemic on the Expected Credit losses and made in accordance with the CIPFA LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21.

6. You confirm that no adjustments are required to the accounting estimate(s) and disclosures in the Council's financial statements due to subsequent events, including due to the Covid-19 Pandemic.

P. Specific Representations

We require one specific representations in addition to those above.

Infrastructure Assets – Coastal Protection

1. You confirm that any additions to Coast Protection Infrastructure assets are an additional layer to the already existing asset, and a new asset is not created.

2. You further confirm that you review the useful economic life of each aspect of Coastal Protection – specifically the original asset layer upon which additions to that asset are made and are satisfied that those asset lives are appropriate.

I would be grateful if you could provide a letter of representation, which is appropriately signed and dated (by the s151 officer and Chair of Governance, Risk and Audit Committee) on the proposed audit opinion date (date to be advised) on formal headed paper.

Yours sincerely


Mark Hodgson
Associate Partner
Ernst & Young LLP
United Kingdom

Appendix D

Implementation of IFRS 16 Leases

In previous reports to the Governance, Risk and Audit Committee, we have highlighted the issue of new accounting standards and regulatory developments. IFRS 16 introduces a number of significant changes which go beyond accounting technicalities. For example, the changes have the potential to impact on procurement processes as more information becomes available on the real cost of leases. The key accounting impact is that assets and liabilities in relation to significant lease arrangements previously accounted for as operating leases will need to be recognised on the balance sheet. IFRS 16 requires all substantial leases to be accounted for using the acquisition approach, recognising the rights acquired to use an asset.

IFRS 16 does not come into effect for the council until 1 April 2024. However, officers should be acting now to assess the council's leasing positions and secure the required information to ensure the council will be fully compliant with the 2024/25 Code. The following table summarises some key areas officers should be progressing.

IFRS 16 theme	Summary of key measures 
Data collection	Management should: <ul style="list-style-type: none"> ▶ Put in place a robust process to identify all arrangements that convey the right to control the use of an identified asset for a period of time. The adequacy of this process should be discussed with auditors. ▶ Classify all such leases into low value; short-term; peppercorn; portfolio and individual leases ▶ Identify, collect, log and check all significant data points that affect lease accounting including: the term of the lease; reasonably certain judgements on extension or termination; dates of rent reviews; variable payments; grandfathered decisions; non-lease components; and discount rate to be applied.
Policy Choices	The council needs to agree on certain policy choices. In particular: <ul style="list-style-type: none"> ▶ Whether to adopt a portfolio approach ▶ What low value threshold to set and agree with auditors ▶ Which asset classes, if any, are management adopting the practical expedient in relation to non-lease components ▶ What is managements policy in relation to discount rates to be used?
Code adaptations for the public sector	Finance teams should understand the Code adaptations for the public sector. The Code contains general adaptations, (e.g. the definition of a lease); transitional interpretations (e.g. no restatement of prior periods) and adaptations that apply post transition (e.g. use of short-term lease exemption).
Transitional accounting arrangements	Finance teams should understand the accounting required on first implementation of IFRS 16. The main impact is on former operating leases where the authority is lessee. However, there can be implications for some finance leases where the council is lessee; and potentially for sub-leases, where the council is a lessor, that were operating leases under the old standard.
Ongoing accounting arrangements	Finance teams need to develop models to be able to properly account for initial recognition and subsequent measurement of right of use assets and associated liabilities. This is more complex than the previous standard due to more regular remeasurements and possible modifications after certain trigger events.
Remeasurements and modifications	Finance teams need to familiarise themselves with when the 'remeasurement' or 'modification' of a lease is required and what to do under each circumstance. A modification can lead to an additional lease being recognised. It is also important to know when remeasurements require a new discount rate is to be applied to the lease.

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ED None

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.Monitoring Officer Annual Report 2022/2023

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- 2 The Monitoring Officer's Work 1 April 2022– 31 March 2023
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- 4 Looking Forward
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Monitoring Officer Annual Report 2022/2023

1. Introduction

1.1 The Monitoring Officer's Annual Report summarises the more important matters arising from the Monitoring Officer's work for the Council from 1 April 2022 to 31 March 2023 and comments on other current issues. This report is prepared by the Monitoring Officer appointed by Full Council on 24 February 2021.

1.2 Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the fundamental principles of openness, integrity and accountability together with the overarching concept of leadership. In this respect, North Norfolk District Council recognises the need for sound corporate governance arrangements and has put in place policies, systems and procedures designed to achieve this.

1.3 The Monitoring Officer is appointed under Section 5 of the Local Government and Housing Act 1989 and has a number of statutory functions in addition to those conferred under the Local Government Act 2000 and subsequent regulations governing local investigations into Member conduct. These are outlined in the next section of the report.

2. The Monitoring Officer's Work April 2022 – March 2023

Duties	Work undertaken
<p>(a) Maintaining a lawful position for the Council and reporting on contraventions or likely contraventions of any enactment or rule of law including fraud.</p>	<p>The Monitoring Officer, during the period 1 April 2022 to 31 March 2023, is a member of the Management Team. Management Team and the Corporate Leadership Team met separately and together. The Monitoring Officer has had and continues to have regular 'Statutory Officer meetings' with the Council's Chief Executive and the Chief Finance Officer.</p> <p>The Council's in house legal team, eastlaw, provides advice and assistance to officers throughout the Council and reports to the Monitoring Officer on any areas of concern in relation to lawfulness and compliance with the Council's protocols and processes. The Monitoring Officer has appointed a deputy.</p> <p>The Monitoring Officer and her staff have attended meetings and provided advice to officers and Members at an early stage, including seeing relevant reports to committee. The Monitoring Officer also requires appropriate recording of delegated authority to evidence compliance with the Constitution.</p> <p>In the year 2022/2023, North Norfolk District Council received and processed 654 requests for information under the Freedom of Information Act 2000 and Environmental Information Regulations 2004 access regimes. See Appendix A. This is an increase of around 8% from the previous year. The Freedom of Information Act 2000 details the Monitoring Officer as a 'qualified person' to give a reasonable opinion under section 36 of the Act. That section provides an exemption from providing information where there is a likelihood that doing so would be likely to prejudice the effective conduct of public affairs. No such opinion was sought or provided during this period.</p> <p>Of the 654 requests processed, eight requests were received for an internal review of either the handling of the request or refusal to disclose particular information. There were also two requests where the applicant complained to the Information Commissioner's Office. Under the UK GDPR and</p>

Data Protection Act 2018, individuals have various rights in respect of their data, one of which is to make a Subject Access Request [“SAR”]. In 2022/23, North Norfolk District Council received and processed 29 SARs.

The Council has a well-established process for dealing with any reported or alleged data breaches. Whilst there were some minor breaches during this period, there were no serious or significant breaches requiring formal reporting to the Information Commissioner’s Office. Recent Information Governance training has been provided to Members, and there are update training sessions scheduled for officers in Autumn 2023.

Under the Regulation of Investigatory Powers Act 2000 (“RIPA”), the Council has powers to undertake directed surveillance and use Covert Human Intelligence Sources in line with the requirements of that legislation. In the year 2022/23, the Council had one Covert Human Intelligence Source application granted at the Magistrates’ Court for a set and limited period. The Monitoring Officer is the Council’s ‘gatekeeper’ under the Council’s policy relating to these powers and provides advice to officers as requested. Annual refresher training for officers took place in September 2022 and the Council’s RIPA policy was updated in October 2022. In recognition of the increased use and significance of social media, the Internet and Social Media Research and Investigation Policy and Procedure was introduced in October 2022 and is being implemented throughout the Authority.

The Monitoring Officer has a key role as a ‘responsible officer’ to whom disclosures may be made, concerning the public interest, under the Whistleblowing Policy, relating to any concerns as to impropriety or unlawful activity within the Council. There were no disclosures made to the Monitoring Officer during this year.

There has been no occasion where the Monitoring Officer had reason to believe that there was a likelihood that there had been or was likely to be a decision that was unlawful or would give rise to maladministration. Accordingly no reports under section 5(2) of the Local Government and Housing Act 1989 have been issued.

	<p>The Monitoring Officer has reviewed the Council’s anti-fraud and corruption policy and, in particular has looked at the nature and extent of any fraud or attempted fraud against the Council within the year 2022/2023 resulting in a report to the GRAC committee of June 2023 (further information is detailed in paragraph (k) of this report).</p>
<p>(b) Report any findings of maladministration causing injustice where the Ombudsman has carried out an investigation.</p>	<p>The Monitoring Officer reviews any complaints where the Ombudsman has upheld the complaint. Appendix B shows complaints made to the Ombudsman during this period and the outcome. The Ombudsman upheld two of the complaints made in the financial year 2022/2023. In addition to the requirement of an apology, the financial recompense to both complainants was under £400 in total.</p>
<p>(c) Establish and maintain the Register of Member’s interests and gifts and hospitality.</p>	<p>This Council holds the Register of Interests for the District Council and also for Town and Parish Councils within the district. The Council is able to make access available to the Register at the Council’s offices. The Register of Members’ Interests is published on the Council’s website along with any dispensations granted. Applications for dispensations are considered and determined by the Standards Committee. The Monitoring Officer has prepared a procedure guide and application process which has been published on the Council’s “ModernGov” site.</p> <p>Members are required to provide a Register of Interests and keep such up to date. This is the responsibility of each individual Member, but Members are reminded about this requirement regularly, including in April 2022 and January 2023. In advance of the May elections 2023 an electronic Register of Interests was developed enabling Members of the District, Parish and Town Council’s to upload their interests after the elections, and update as required. This has been successfully used by District Councillors, with all Members of this Council uploading their Register of Interests within 28 days of taking office in May 2023. Additional support in using this system has been given to Town and Parish Councils through the Town and Parish Council Forum meetings and emails to the clerks of the various councils. All Registers received have been uploaded.</p> <p>The Code of Conduct and guidance sets out the requirements for Members as to gifts and hospitality. There is one entry relating to gifts/hospitality for this period, listed at Appendix C.</p>

<p>(d) Maintain Register of Employees gifts and hospitality.</p>	<p>The Register is updated regularly. The Constitution contains information with regard to accepting, declining and recording gifts and hospitality. The requirement to register gifts and hospitality is regularly shared with officers, including the uploading of a guidance note on to the intranet prior to Christmas 2022, publishing the requirement and process. This financial year shows 18 entries. A copy appears at Appendix D.</p>
<p>(e) Investigate misconduct in respect of District, Parish and Town Councillors under the Code of Conduct.</p>	<p>The Code of Conduct is designed to protect the democratic role, promote good conduct and safeguard the public's trust in local government and is based upon the Nolan Principles. The Council's Protocol on Member/Officer Relations details that the Protocol is relevant in judging compliance with the Code of Conduct.</p> <p>Between April 2022 and March 2023, a total of 20 Code of Conduct complaints were received. Seventeen complaints related to parish/town councils and three related to the District Council. This compares to 23 complaints from the previous year relating to district, parish and town councils. On receipt of a complaint about Member Conduct, the Monitoring Officer conducts an initial assessment to determine if the matter warrants any further action, such as a formal investigation. The Monitoring Officer liaises with one of the Council's Independent Persons in this process.</p> <p>The most common reason for complaints continues to be alleged disrespectful behaviour. The majority of complaints were assessed as requiring no further action. Sometimes this has been accompanied by some informal recommendations or guidance to improve governance. Two town/parish council matters were referred for investigation during the year 2022/2023. Two matters requiring referral to the Standards Committee for a hearing were postponed to shortly after the year end 2022/23 so as to avoid the pre-election period.</p> <p>The Localism Act 2011 places significant importance on registering interests, especially disclosable pecuniary interests and Members are regularly reminded of the need to keep their register of interests up to date. An electronic process to register interests was prepared for use post elections 2023. Registers of Interest are published on the Council's website along with any dispensation granted. Each committee meeting agenda contains an agenda item for declaration of interests where there is included a flowchart and guidance note to assist Members by providing information</p>

	as to when they may need to declare an interest.
(f) Investigate breaches of the Council's own protocols.	There have been no alleged breaches of the Council's own protocols in the year 2022/2023.
(g) Provide advice to Town and Parish Councils on the interpretation of the Code of Conduct.	<p>The Monitoring Officer, and her staff, have provided advice to Parish Councils, particularly via their clerks, on the Standards and Code of Conduct Arrangements during 2022/23 via telephone and email.</p> <p>The Monitoring Officer (and her staff) have provided advice and assistance to a number of parishes through interventions to raise standards and deal with complaints. On occasion, informal advice and recommendations have been given to parish and town councils following Code of Conduct complaints.</p> <p>The Town and Parish Forum meets quarterly and consists of key District Council officers, Members, in addition to clerks, parish/town Members and a representative from the Norfolk Association of Local Councils. This provides an opportunity to provide general information relating to the Code of Conduct including assistance relating to the electronic Register of Interests.</p>
(h) Promote and support high standards of conduct through support to the Standards Committee.	<p>The Standards Committee sits regularly. In the last year, the Council appointed two Independent Persons to give an external and independent view where complaints are made against Members under the Member Code of Conduct. Whereas previously there was just the one Independent Person, having two provides greater resilience and availability to the Monitoring Officer and any Member subject of a complaint. The Independent Persons have undertaken internal training provided by the Monitoring Officer, as well as external training. They provide valued input into the Code of Conduct procedures.</p> <p>The Monitoring Officer has recently prepared a full procedure note and provided training in Standards Hearings for the Committee.</p>
(i) Compensation for maladministration.	There have been no cases of compensation

<p>(j) Maintenance and review of the Constitution.</p>	<p>The Constitution has been revised and updated during the year with the input of the Constitution Working Party. The Constitution has had a number of minor updates, including to the contract procedure rules thresholds. During the year 2022-2023 a complete review of the Constitution commenced, the last such review having been undertaken around a decade ago. The final amendments are due for completion in the year 2023/24.</p>
<p>(k) Responsibility for complaints made under the Council's Whistleblowing and Anti-Fraud policies.</p>	<p>The Council's Whistleblowing Policy provides a confidential procedure for employees to report concerns which impact upon the public interest. The Monitoring Officer has not received any whistleblowing complaint in this period.</p> <p>The Council's Counter Fraud Corruption and Bribery Strategy aims to increase staff and Member awareness and to minimise likelihood of losses to the public purse through fraud and corruption. As with the Whistleblowing Policy, it recognises that staff and Members are important in tackling any wrongdoing and respects confidentiality where concerns are raised. Further internal controls include a requirement that the Council, when dealing with outside organisations, manages its transactions in accordance with the Council's Contract Procedure Rules set out in the Constitution. Where there are exemptions to the usual procurement procedures there is a requirement to keep a proper record of this.</p> <p>Employees are made aware of the anti-fraud policies and their ability to report through the Council's intranet and team briefings.</p> <p>In the year 2022/23, a Fraud Risk Assessment was undertaken, which highlighted areas of risk, controls required, and mitigation steps in the Council's fight against fraud. This assessment was subsequently considered and an update prepared for GRAC in June 2023 detailing fraudulent/potential fraudulent activity against the Council, or relevant incidents, occurring during that period. Information provided looked at the number and nature of those incidents, how such have been addressed and what additional controls or mitigation have been applied. It identified a small number of frauds/potential frauds of low level seriousness. There were no reports of significant fraud for the year 2022/2023. A Fraud Action Plan has been prepared by the Monitoring Officer and put in place. It is based on the "Fighting Fraud and Corruption Locally Strategy" checklist (also</p>

	completed) and training in counter-fraud and anti –corruption is being provided to officers and is also available to all Members.
(l) Breaches of the Employee Code of Conduct.	<p>Employees are reminded through the Council’s internal communications regarding business practice and ethical behaviour. The Constitution sets out the Employee Code of Conduct and provides links to associated policies and procedures, setting out the standards of behaviour expected by the Council. These policies and disciplinary procedures are managed by the Council’s HR team.</p> <p>In the year 2022/2023, the Employment and Appeals committee has not met to consider any disciplinary matter.</p>
(m) Advice on vires issues, maladministration, financial impropriety, probity and policy framework.	<p>The Monitoring Officer has been consulted on matters, which have potentially significant legal implications.</p> <p>The Monitoring Officer met regularly with the Chief Financial Officer and the Chief Executive.</p> <p>The financial statements are subject to a robust governance process through the Committee cycle.</p> <p>The Monitoring Officer and her staff have attended Council and other Committees as necessary.</p> <p>Officers consult the Monitoring Officer regularly on vires and probity issues.</p> <p>The Monitoring Officer works closely with the Chief Executive, the Chief Financial Officer, the Management Team and the Corporate Leadership Team to ensure probity in the organisation.</p> <p>The Monitoring Officer regularly advises on the legality and/or appropriateness of administrative procedures, in conjunction with the Democratic Services Team.</p>
(n) Exemptions to contract standing orders	12 exemptions (Appendix E) have been recorded and allowed this year, mainly in relation to specialist services where there is only one supplier/no acceptable alternative: an identified and

	<p>permitted exemption under the Constitution.</p> <p>Changes to the thresholds under the Contract Procedure Rules, including where exemptions are applied for, have been updated and communicated to officers</p>
<p>(o) actual or potential litigation or claims that would have a significant effect on the entity or a material impact on the financial statements</p>	<p>None identified for the year 2022/2023</p>

3. Key Messages

3.1 The key messages to note from the year are:

- (i) The Constitution has been and will continue to be maintained and updated and is at the final stages of a substantial review.
- (ii) Provision of an online updating facility for registration of Member interests has been implemented for use by Members of our District, Town and Parish Councils.
- (iii) A permanent Chief Finance Officer (S.151 officer) joined the Council in 2022
- (iv) Two Independent Persons have been appointed by the Council with whom the Monitoring Officer, and Members subject to complaint, may consult, and who provide a view to the Standards Committee before a decision is reached in Code of Conduct matters.
- (v) A counter-fraud and anti-corruption checklist has been completed and an action plan subsequently put in place to address risk.

4. Looking Forward

4.1 The key issues for 2023/2024 are as follows;

- Any actions arising from internal and external audits will need review and implementation
- Local elections (May 2023) occurred at the end of the 2022/2023 year. Training for new and returning Members following those elections was arranged and continues.
- The completion of the Constitution review which is currently in progress.
- The advertisement and recruitment process of an Independent Person to join the Governance Risk and Audit Committee in line with CIPFA guidance
- Additional finance training for officers and Members
- A Peer review is to be undertaken in September 2023

4.2 Code of Conduct

4.2.2 The Member Code of Conduct and the Protocol on Member/ Officer Relations are accessible on the Council's website. Members will continue to receive regular reminders to keep their register of interests up to date and are now able to upload their interests electronically. This procedure is being promoted amongst the Town and Parish Councils.

4.3 Corporate Governance Framework

4.3.1 The Monitoring Officer will continue to provide an assurance in respect of the Code and the Annual Governance Statement by way of this Annual Report.

4.4 Constitution and Regulations

4.4.1 The Constitution will continue to be kept under review by the Monitoring Officer working closely with the Democratic Services Team and the Constitution Working Party. The Constitution has had interim updates and it is now at the final stages of a substantial review.

4.4.2 It will be appropriate to continue to remind Members and staff of the importance of compliance with the Council's regulations, as set out in the Constitution and other policy framework documents, and the Monitoring Officer and other staff will provide advice accordingly.

5. Overall opinion on the adequacy and effectiveness of the Governance framework

The Monitoring Officer confirms that she is not aware of:

- Any breaches of, or deficiencies in, internal control during 2022/2023 in respect of fraud or compliance with relevant legal provisions that could have a significant effect on the entity or a material impact on the financial statements;
- Any actual, suspected or alleged frauds or breaches of legislative requirements during 2022/2023 of significance (save those of a minor nature as detailed in this report);
- Any excessive or undue pressure to meet financial or operating targets that may unduly influence the actions of either those charged with governance or Management;
- Any actual or potential litigation or claims that would have a significant effect on the entity or a material impact on the financial statements;
- Any circumstances that would call into question the preparation of the financial statements on an ongoing basis.

Subject to the information and areas outlined above, the systems of internal control administered by the Monitoring Officer including the Code of Conduct and the Council's Constitution, appear adequate during the year between April 2022 and March 2023.

Cara Jordan
Monitoring Officer
30 August 2023

Information Rights Requests

Request	Total
Number of Requests (Freedom of Information Act 2000/ Environmental Information Regulations ["FOI" & "EIR"])	654
Number of Internal reviews (FOI & EIR)	8
Number of appeals to the Information Commissioner's Office (FOI)	2
Number of FOI requests where the exemption under S.36 FOI was applied (reasonable opinion of qualified opinion)	0
Number of Subject Access Requests under the UK-GDPR & Data Protection Act 2018	29

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APPENDIX B

Complaints to the Ombudsman (1 April 2022- 31 March 2023)

Category	Decided	Decision	Decision Reason	Remedy
Housing	20/04/2022	Not Upheld	no fault	
Corporate & Other Services	19/05/2022	Closed after initial enquiries	Not warranted by alleged fault	
Planning & Development	15/08/2022	Upheld	Fault & injustice	Financial redress: Avoidable distress/time and trouble, Financial Redress: Quantifiable Loss, Apology
Corporate & Other Services	14/09/2022	Upheld	Fault & injustice	Financial redress: Avoidable distress/time and trouble, Apology, Procedure or policy change/review
Planning & Development	19/04/2022	Closed after initial enquiries	Not warranted by alleged fault	
Benefits & Tax	28/04/2022	Closed after initial enquiries	Not warranted by alleged fault	
Environmental Services & Public Protection & Regulation	22/04/2022	Referred back for local resolution	Premature Decision - referred to Organisation	
Benefits & Tax	20/04/2022	Closed after initial enquiries	26(6)(a) tribunal Other	
Environmental Services & Public Protection & Regulation	09/05/2022	Referred back for local resolution	Premature Decision - advice given	
Planning & Development	12/05/2022	Referred back for local resolution	Premature Decision - advice given	
Corporate & Other Services	23/08/2022	Closed after initial enquiries	Not warranted by alleged fault	
Planning & Development	04/10/2022	Closed after initial enquiries	Not warranted by alleged fault	
Environmental Services & Public Protection & Regulation	19/10/2022	Closed after initial enquiries	Not warranted by alleged injustice	

Planning & Development	06/10/2022	Referred back for local resolution	Premature Decision - advice given	
Corporate & Other Services	17/03/2023	Closed after initial enquiries	Not warranted by alleged fault	
Planning & Development	23/11/2022	Closed after initial enquiries	Not warranted by alleged injustice	
Housing	10/03/2023	Not Upheld	no fault	
Corporate & Other Services	08/02/2023	Closed after initial enquiries	Not warranted by alleged fault	
Benefits & Tax	16/03/2023	Incomplete/Invalid	Insufficient information to proceed and PA advised	

Gifts and Hospitality Notifications – Year 1.4.2022 to 31.3.2023 (Member Notifications)

Date	Name of Member	Name of person or organisation offering the gift or hospitality	Description of gift or hospitality	Accepted or Declined?
19.06.2022	Cllr Tim Adams	Cromer Town Council	2 large ceramic poppies with metal stems worth £40	Accepted

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Gifts and Hospitality 1 April 2022 – 31 March 2023 (Officer Notifications)

Date	Department/ senior officers	Name of person or organisation offering the gift or hospitality	Description of gift or hospitality	Accepted or Declined
28.04.2022	5 officers in the Environmental Protection department	British Sugar Wissington	Company labelled pen/notebook/mug/water bottle	Accepted
02.06.2022	1 officer, Corporate Business department	Pier Pavilion, Cromer	2 tickets to opening night of Shrek on Saturday 28 May 2022	Accepted
02.06.22	Steve Hems, CLT	Pier Pavilion, Cromer	2 tickets to opening night of Shrek on Saturday 28 May 2022	Accepted
13.06.2022	Two officers in Organisational Resources	Pier Pavilion, Cromer	Tickets to opening night of the Cromer Pier Show on 2 July 2022	Accepted
26.06.2022	Steve Blatch Chief Executive	The Hill Group and Cratus	Conference dinner invitation	Accepted
26.06.2022	Steve Blatch Chief Executive	Pier Pavilion, Cromer	2 tickets to opening night of the Cromer Pier Show on 2 July 2022 (1 ticket accepted)	Accepted
29.06.2022	Steve Blatch Chief Executive	Cratus and the Countryside Group	Lunch event	Accepted
10.11.2022	Officer in People Services	Openwide Coastal Limited	Cromer Pier Xmas show two ticket's for the 26.11.22	Accepted

11.11.2022	Officer in Property Services	Openwide Coastal Limited	Cromer Pier Xmas show two ticket's for the 26.11.22	Accepted
16.11.2022	Steve Hems, CLT and Officer in Corporate Business Team	Openwide Coastal Limited	Cromer Pier Xmas show two ticket's for the 26.11.22	Accepted
16.11.2022	Officer in Environment & Leisure Service	Openwide Coastal Limited	Cromer Pier Xmas show ticket for the 26.11.22	Accepted
18.11.2022	Officer in Environment & Leisure Service	Openwide Coastal Limited	Cromer Pier Xmas show two ticket's for the 26.11.22 (1 ticket accepted)	Accepted
02.12.2022	Officer, Health and Communities section	The Wroxham and Bure Valley Rotary Club	Evening supper at weekly Rotary Club meeting at Wroxham Barns, Tunstead	Accepted
06.12.2022	Officer in the Environment and Leisure Service	Norse Group	Attendance at the National Recycling Awards 2022 and overnight accommodation	Accepted
20.12.2022	The Assets and Estates Team	Daniel Connal Partnership	1 x box of Hotel Chocolat chocolates Approx. value £10	Accepted
22.12.2022	The Assets and Estates Team	North Norfolk Surf Life Saving Club	4 x 350g roses chocolates Approx. value £2.50 each	Accepted
20.02.2023	Officer of the Assets and Estates Team	Individual	1 x box of Ferrero Collection	Accepted
27.03.2023	Officer of the Benefits Team	Individual	Small rose quartz heart	Accepted

APPENDIX E

Contract Procedure Rules Exemptions granted from 1 April 2022 to 31 March 2023

Date	Contractor	Type of Work	Amount	Exemption Applied (Chapter 9, Paragraph 11, Constitution)
April 22	ALS Environmental Ltd	Laboratory testing of private water supplies	£20,305	(g) for the supply of good or services where there is only one supplier and no acceptable alternative
May 22	Royal Mail	Distribution of magazines	£26,272	(g) for the supply of good or services where there is only one supplier and no acceptable alternative
May 22	Hardscape Products Ltd	Purchase of NWHAZ stone Stone for Church Approach (Shambles area) and Market Place	£176,143	(g) for the supply of good or services where there is only one supplier and no acceptable alternative
May 22	Vertas	3 year Energy procurement and invoice management contract	£28,500	(g) for the supply of good or services where there is only one supplier and no acceptable alternative
May 22	FMG	Consultant Services to support Levelling up Fund 2 Bid.	£26,900	(m) That, in the view of the Monitoring Officer, the timescales involved with a traditional procurement process would disadvantage the Council.
July 2022	Policy In Practice	Supply of Poverty Dashboard- Low Income Family Tracker to assist with homelessness prevention and tackling poverty 2022 - 2023	£24,000	(g) for the supply of goods or services where there is only one supplier and no acceptable alternative;

July 2022	C3	Development and set up fee. of an autonomous customer satisfaction survey as an enhancement to our existing customer services contact centre and CRM system.	£17,000	(c) of a proprietary type only available from a single supplier;
July 2022	1 Advanced	Access to read-only copy of EFin for 7 years (to preserve access to finance data for audit and validation purposes)	£80,000	(c) of a proprietary type only available from a single supplier
October 2022	Kings & Barnhams	Electrical Works MTC	£120,000	(l) the contract is an extension to an existing contract and a change of supplier would cause disproportionate technical difficulties, diseconomies of scale or significant disruption to Council services (such as software procurement)
November 2022	Locata Housing Services	Supply of IT housing software –managing temporary accommodation rent accounting and update to lettings system.	£20,400	(l) The enhancement is a bolt on to an existing contract which is not due to expire until September 2024 and a change of supplier would cause disproportionate technical difficulties, diseconomies of scale and significant disruption to our Housing Options Service.
December 2022	Network Surety	Managed firewall service - support to ensure effective cyber security for the Councils IT systems	£13,000	(l) The contract is an extension to an existing contract and a change of supplier would cause disproportionate technical difficulties, diseconomies of scale or significant disruption to Council services (such as software procurement).
January 2023	Norwich Electrical	Continuation of Electrical Works at The Cedars	£47,760	(l) The contract is an extension to an existing contract and a change of supplier would cause disproportionate technical difficulties, diseconomies of scale or significant disruption to Council services (such as software procurement).

Monitoring Officer Report - Code of Conduct Complaints

1 April 2022 to 31 March 2023

APPENDIX F

Key

Cllr	Councillor
MoP	Member of the public
DC	District Council
TC	Town Council
PC	Parish Council
DN	Initial Assessment – Decision Notice

Complaint Date	Complaint Reference	Complainant Councillor/ MoP /Other	Member	Authority	Allegation	Progress/ DN sent	Assessment Outcome	Hearing	Outcome
25.04.2022	020041	Cllr (A)	Cllr (i)	Sheringham TC	Abusive behaviour and harassment	DN sent 15.8.2022	Refer for Investigation	Yes	Standards Committee Hearing in June 2023. Breaches found
28.04.2022	020123	MoP (B)	Cllr (ii)	North Norfolk DC	Abuse of power, defamation & intimidation	DN sent 24.8.2022	No Further Action	No	Closed
02.05.2022	020132	MoP (C)	Cllr (iii)	North Walsham TC	Disrespectful and offensive behaviour	DN sent 15.8.2022	No Further Action	No	Closed

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03.05.2022	020145	MoP (D)	CLlr (i)	Sheringham TC	Disrespectful behaviour	DN sent 15.8.2022	Refer for Investigation	Yes	Standards Committee Hearing in June 2023, breaches found
03.05.2022	020151	MoP (E) & (F)	CLlr (iv)	Briston PC	Disclosing personal and confidential information/ threatening behaviour	DN sent 30.6.2022	No Further Action.	No	Closed
23.05.2022	020296	MoP (G)	CLlr (v)	Cromer TC	Alleged financial impropriety	DN sent 5.8.2022	No Further Action	No	Closed
23.05.2022	020305	MoP (H)	CLlr (v)	Cromer TC	Alleged unlawful activity re charity	DN sent 18.7.2022	No Further Action – informal advice	No	Closed
23.06.2022	020512	MoP (J)	CLlr (v)	North Norfolk DC	Misuse of position as a councillor	DN sent 6.7.2023	No Further Action	No	Closed
24.06.2022	020525	MoP (K)	CLlr (vi)	Great Ryburgh PC	Alleged disrespectful behaviour	DN sent 15.8.2022	No Further Action	No	Closed
04.07.2022	020573	MoP (L)	CLlr (vii)	Aldborough & Thurgarton PC	Alleged disrespectful behaviour	DN sent 12.10.2022	No Further Action	No	Closed

18.07.2022	020651	MoP (N)	CIlr (viii)	Sheringham TC	Alleged disrespectful behaviour	DN sent 06.10.2022	No Further Action	No	Closed
27.09.2022	021119	MoP (O)	CIlrs (ix) & (x)	Brinton PC	Alleged unreasonable and dishonest behaviour and non-accountability	ND sent 13.12.2022	No Further Action	No	Closed
05.10.2022	021166	MoP (P)	CIlr (xi)	Fakenham TC	Alleged bullying, coercion and threatening behaviour	DN sent 1.11.2022	No further Action	No	Closed
25.10.2022	021277	MoP (P)	CIlr (xi)	Fakenham TC	Alleged malpractice on the handling of employment related matters	DN sent 2.11.2022	No further action	No	Closed
25.10.2022	021281	MoP (P)	CIlr (xii)	Fakenham TC	Alleged malpractice on the handling of employment related matters	DN sent 2.11.2022	No further Action	No	Closed
25.10.2022	021279	MoP (P)	CIlr (xiii)	Fakenham TC	Alleged malpractice on the handling of employment related matters	DN sent 2.11.2022	No further Action	No	Closed

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25.10.2022	021280	MoP (P)	Cllr (xiv)	Fakenham TC	Alleged malpractice on the handling of employment related matters	DN sent 2.11.2022	No Further Action	No	Closed
25.10.2022	021283	MoP (P)	Cllr (xv)	Fakenham TC	Alleged malpractice on the handling employment related matters	DN sent 2.11.2022	No Further Action	No	Closed
21.12.2022	021584	MoP (Q)	Cllr (ii)	North Norfolk DC	Alleged lack of openness and not providing information when requested	DN sent 3.3.2023	No Further Action	No	Closed
16/03.2023	022087	MoP (S)	Cllr (vii)	Aldborough & Thurgarton PC	Alleged lack of communication for electors and not performing tasks expected of councillors	DN sent 7.6.2023	No Further Action	No	Closed

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Note:

A complaint from year 21/22 relating to a Cllr of Catfield PC was also referred for investigation in year 2022/23, with a Standards Hearing in June 2023 where a breach of the Code was found.

GRAC ANNUAL REPORT 2022-23	
Executive Summary	This report aims to provide the Council with an outline of the role, purpose and background of the Governance, Risk & Audit Committee, as well provide a summary of the work undertaken by the Committee throughout the 2022-23 municipal year. It will also draw attention to any issues encountered, or those that remain from previous years.
Options considered	N/A
Consultation(s)	A draft copy of the report is shared with the Committee Chairman and all officers responsible for presenting reports to GRAC throughout 2022-23.
Recommendations	It is recommended that Council notes the report, affirms the work of the Governance, Risk & Audit Committee, and considers any concerns raised within the key issues section of the report.
Reasons for recommendations	To inform Council of the work of the Governance, Risk and Audit Committee in 2022-23.
Background papers	GRAC Annual Work Programme 2022-23

Wards affected	All
Cabinet member(s)	N/A
Contact Officer	Matt Stembrowicz Democratic Services & Governance Officer Matthew.stembrowicz@north-norfolk.gov.uk 01253 516047

Links to key documents:	
Corporate Plan:	Strong, responsible & accountable Council
Medium Term Financial Strategy	N/A
Council Policies & Strategies	Relevant policies are considered by the Committee and outlined in the report.

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	N/A
Details of any previous decision(s) on this matter	N/A

1. Introduction – Role and Purpose of the Committee

- 1.1 The role of the Governance, Risk and Audit Committee is to provide oversight and monitor the governance, risk management and internal control arrangements of the Council, to provide independent assurance that these are effective and efficient. This is achieved through items received by the Committee in relation but not limited to;

internal and external audit, key finance items, governance reviews and strategic risk management reporting.

1.2 The Terms of Reference (which have been updated to allow the Committee to sign off the Final Accounts) outline the purpose of the Committee in more detail:

a) Internal Audit

- To consider and approve annually the Internal Audit plan of work, considering the scope and depth of the work in addressing the Council's significant risks and issues.
- To consider the outcomes of the internal audit plan of work and to monitor management's progress in implementing agreed audit recommendations.
- To consider and approve the Annual Report and Opinion of the Head of Internal Audit, ensuring that the systems of internal control, governance and risk management have been effective and efficient over the course of the year.
- To consider the performance of the internal auditors in relation to the adherence to the Public Sector Internal Audit Standards.

b) External Audit

- To consider annually the External Audit plan of work.
- To consider External Audit reports and letters.

c) Accounts / Finance

- To consider the extent of the Council's compliance with its own and other published financial statements and controls.
- To review and approve the annual Statement of Accounts and the Annual Governance Statement contained therein.

d) Risk Management

- To review the strategic risks that the Council faces and ensure that these are being appropriately managed, monitored and mitigated.

e) Governance

- To review the Council's arrangements for governance, with particular regard to the Local Code of Corporate Governance and the Financial and Contracts Procedure Rules.
- To review the Council's arrangements to counter fraud and corruption, with particular regard to the policies on: Counter Fraud, Whistleblowing and Money Laundering.
- To hold periodic private discussion with the Head of Internal Audit and the External Auditors to review working relationships and discuss any pertinent issues.
- To commission ad-hoc work from internal and external audit.
- To assess the Committee's own effectiveness on an annual basis against best practice.

2. Committee Background and Membership

- 2.1 The Committee was originally convened on 21st June 2006 as the Final Accounts Committee. It was established to allow a more robust discussion of the final accounts prior to their approval by Full Council. On 16th October 2006, the Committee met for the first time as the Audit Committee. Its remit was more far-reaching than accounts and included scrutiny of external and internal audit, risk management and internal control. On 6th September 2016, the Committee agreed to change its name to the Governance, Risk and Audit Committee to better reflect its function and the range of its oversight.
- 2.2 The membership of the Committee remained stable throughout most of 2022-23, however Cllr H Blathwayt was replaced by Cllr S Bütikofer in February 2023, after being appointed to Cabinet. The Committee was therefore comprised of the following six Members at the end of the year:
- Cllr J Rest (Chairman)
Cllr S Penfold (Vice Chair)
Cllr C Cushing
Cllr S Bütikofer
Cllr Dr P Bütikofer
Cllr P Fisher
- 2.3 Throughout 2022-23, apologies were given on five occasions with two absences covered by substitutes, highlighting only moderate communication between Committee Members and substitutes, when required.

3. Work of the Committee 2022-23

- 3.1 The Committee met four times during the 2022-23 municipal year, across which the following items of business were considered:

Governance

- Annual Governance Statement & Local Code of Corporate Governance 2021/22 (June 2022)
- Updated Fraud Policy and Fraud Risk Assessment (June 2022)
- Monitoring Officer's Annual Report 2021-22 (September 2022)
- Annual report on the work of the Governance, Risk and Audit Committee 2021-22 (September 2022)
- Procurement Exemptions Report (Quarterly)
- Review of North Walsham Heritage Action Zone Project Governance (March 2023)
- Review of Reef Project Recommendations (March 2023)

Risk Management

- Civil Contingencies Report 2022 (December 2022)
- Corporate Risk Register (Quarterly)
- Business Continuity Policy and Business Continuity Management Framework (December 2022)

Internal Audit

- Progress report on Internal Audit Activity and Follow-up on Internal Audit Recommendations (Quarterly)

- Annual Report and Opinion 2021-22 (June 2022)
- CIPFA GRAC Annual Self-Assessment (March 2023)
- Strategic Annual Internal Audit Plans 2023-24 (March 23)

External Audit

- EY External Audit Plan 2020-21 (September 2022)
- Annual Audit Letter 2019-20 (December 2022)
- EY Audit Results Report 2020-21 *Accounts not signed-off* (December 2022)

Accounts / Finance

- Draft Statement of Accounts 2021-22 (March 2023)
- Review of Assets Register (March 2023)
- Annual Accounts Sign-off Delegation 2020-21 (December 2022)

4. Key Issues

- 4.1 Significant delays persist with gaining External Audit sign-off of the NNDC annual accounts for 20-21 onwards. This has caused significant disruption to the Committee's Work Programme with an ongoing impact on the annual accounts process, and subsequent negative impact on the workload of the Finance Team. It should be noted that in an attempt to address these concerns, the S151 Officer has set-out a timeline for the sign-off of outstanding accounts.
- 4.2 Long outstanding Internal Audit recommendations remain a concern of the Committee, though significant efforts were made throughout the year to bring these up to date. The Committee remains pro-active in monitoring these recommendations, with Internal Audit Follow-Up reports still reviewed on a quarterly basis. Officers with responsibility for implementing outstanding audit recommendations were called-in to explain delays and the steps being taken to achieve sign-off.

5. Corporate Priorities

- 5.1 As outlined in the 2023-27 Corporate Plan one of the key corporate priorities is ensuring a strong, responsible and accountable Council. In order to achieve this, the administration requires the Governance, Risk & Audit Committee to undertake its duties of ensuring that the Council has maintained a sound financial position, ensured that strong governance is applied to all decisions and that risk is adequately managed and mitigated. This report seeks to outline how this was achieved during the 2023-23 municipal year.

6. Financial and Resource Implications

- 6.1 As outlined within the key issues section of the report, limited staff capacity within the Finance Team has impacted the ability of the Council to ensure that annual accounts are signed-off and audited within the expected timeframe. As a result, the Finance Team are actively recruiting to new posts which will have both financial and resource implications, but these have been considered by CLT as part of the job post evaluation process.

7. Legal Implications

7.1 N/A.

8. Risks

8.1. Corporate risks are monitored by the Committee on a quarterly basis with the Risk Management Framework reviewed by the Committee on a bi-annual basis. The report itself does not present any new risks to the Council beyond those already considered by the Committee whilst undertaking its responsibility for risk management.

9. Net ZeroTarget

9.1 N/A.

10. Equality, Diversity & Inclusion

10.1 N/A.

11. Community Safety issues

11.1 N/A.

12. Conclusion and Recommendations

12.1 The Committee has continued to meet its obligation to provide oversight on matters of governance, risk, internal and external audit. Committee attendance has remained consistent, with several observers and Cabinet Members attending on a regular basis to discuss reports.

12.2 Quarterly consideration of procurement exemptions has continued to improve oversight and understanding of the Council's procurement processes and continues to provide Members and Internal Audit with an increased level of assurance.

12.3 Whilst delays with the External Audit accounts sign-off process persist with a backlog of annual accounts, officers are working with external auditors to agree a timeframe to bring the process back on track with the annual accounts up to date and signed-off within the statutory timeframe, as soon as possible.

12.4 In summary, by continuing to fulfil its role and identifying areas for improvement, the Committee has proven itself able to provide effective oversight for the Council, as well as continuing to improve its knowledge and subject area expertise. Looking forward, the Committee must remain focused to ensure that any outstanding audit recommendations and annual accounts are completed, in order to maintain good governance, financial sustainability, effective oversight of risk and value for money.

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Internal Audit Progress and Follow Up Report	
Executive Summary	This report examines the progress made between 31 May 2023 to 31 August 2023 in relation to delivery of the Annual Internal Audit Plan for 2023/24 and provides details of any outstanding internal audit recommendations.
Options considered	N/A
Consultation(s)	N/A
Recommendations	It is recommended that the Committee receives internal audit progress and progress against internal audit recommendations within the period covered by the report.
Reasons for recommendations	To provide the Committee with an update on internal audit plan progress, and progress on implementing outstanding internal audit recommendations.
Background papers	N/A

Wards affected	All
Cabinet member(s)	All
Contact Officer	Faye Haywood, Head of Internal Audit faye.haywood@southnorfolkandbroadland.gov.uk 01508 533873

Links to key documents:	
Corporate Plan:	All
Medium Term Financial Strategy (MTFS)	N/A
Council Policies & Strategies	Internal Audit Charter 2023/24 Internal Audit Strategy 2023/24

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	N/A
Details of any previous decision(s) on this matter	N/A

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Eastern Internal Audit Services



North Norfolk District Council

Internal Audit Update – Progress and Follow Up

Period Covered: 31 May 2023 to 31 August 2023

Responsible Officer: Faye Haywood – Head of Internal Audit for North Norfolk District Council

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1. INTRODUCTION

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

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 Since the plan's approval in March 2023, there have been no significant changes to the approved internal audit plan.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1**.
- 3.2 In summary, 28 out of 171 days of programmed work have been completed, equating to 16% of the Internal Audit Plan for 2023/24.

4. THE OUTCOMES ARISING FROM OUR WORK

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

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

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

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

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

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

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

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

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

- 4.3 In addition, on completion of audit work “Operational Effectiveness Matters” are proposed, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.
- 4.4 During the period covered by the report, no reports have been issued by Internal Audit. There has been a delay in starting the 2023/24 plan, due to delays in finalising the 2022/23 plan. However, the NN2412 Land Charges report has been issued in draft and is currently awaiting a management response.

5. FOLLOW UP OF AGREED AUDIT RECOMMENDATIONS

- 5.1 In addition to providing the Committee with the performance of internal audit relative to its plan, the Public Sector Internal Audit Standards also require the Chief Audit Executive to establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action.
- 5.2 To comply with the above this report includes the status of agreed actions.
- 5.3 As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Contractor on a regular basis and reported through to the Committee. Verification work is also undertaken for those recommendations that are reported as closed.
- 5.4 **Appendix 3** to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken and identifies between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round. Seven recommendations have been closed in the period between 31 May 2023 to 31 August 2023. A total of 19 (eight important and 11 needs attention priority) recommendations are currently outstanding. A further 20 recommendations are not yet due.
- 5.5 **Appendix 4, 5, 6 and 7** provide the committee with details of urgent and important priority recommendations that are overdue by the year in which they were raised. Management responses and a new deadline have been indicated for each where available.

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 1											
Land Charges	NN2412	12	12	12	Draft report issued 29 August 2023						
TOTAL		12	12	12							
Quarter 2											
Procurement and Contract Management	NN2404	15	15	8	Fieldwork underway.						
TOTAL		15	15	8							
Quarter 3											
Risk Management	NN2401	5	5	0							
Complaints and FOIs	NN2402	12	12	0							
Accountancy Services	NN2405	16	16	0							
Accounts Payable	NN2406	10	10	0							
Accounts Receivable	NN2407	10	10	0							
Income	NN2408	8	8	0							
Civil Contingencies and Business Continuity	NN2411	12	12	0							
TOTAL		73	73	0							
Quarter 4											
Key Controls and Assurance	NN2403	15	15	0							
Housing Strategy, Homelessness and Housing Options	NN2409	12	12	0							
Coastal Management	NN2410	12	12	0							
Property Services - Operational	NN2413	12	12	0							
TOTAL		51	51	0							
IT Audits											
Service Desk	NN2414	10	10	0							
Post-Implementation Finance System Review	NN2415	5	5	4	Fieldwork concluding.						
TOTAL		15	15	4							
Follow Up											
Follow Up	N/A	10	10	4							
TOTAL		10	10	4							
TOTAL		176	176	28			0	0	0	0	
Percentage of plan completed				16%							

APPENDIX 2 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed bt 31 May 2023 to 31 August 2023			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not Yet Due for implementation			
			Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3		Priority 1	Priority 2	Priority 3	
Audit Ref	Audit Area	Assurance Level														
2019/20 Internal Audit Reviews																
NN2006	Accounts Receivable	Reasonable						2				2				
NN2009	Planning and Development	Reasonable					1					1				
2020/21 Internal Audit Reviews																
NN2107	Procurement Contract Management	Position Statement					1					1				
2021/22 Internal Audit Reviews																
NN2207	Accounts Receivable	Substantial						2				2				
NN2204	Counter Fraud and Corruption	Limited		1								0				
NN2213	Waste Management	Reasonable					2					2				
NN2202	Key Controls and Assurance	Reasonable					2					2				
NN2214	Environmental Health	Reasonable					1					1				
NN2208	Income	Reasonable			1							0				
2022/23 Internal Audit Reviews																
NN2303	Corporate Health and Safety	Reasonable					1	5				6				
NN2313	Building Control	Reasonable						1				1				
NN2301	Corporate Governance	Substantial			1			1				1				
NN2306	Council Tax and NNDR	Substantial										0			1	
NN2314	Development Management	Reasonable										0				1
NN2316	Disaster Recovery	Reasonable			1							0		1	2	
NN2308	Payroll and HR	Substantial			2							0				1
NN2311	Pier Pavilion	Limited	1									0				
NN2302	Key Controls and Assurance	Limited										0	6	7	1	
TOTALS			1	1	5	0	8	11	0	0	0	19	6	8	6	

APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20

Audit	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2009 Planning and Development	Recommendation 2: Response time targets and fees for pre-application work be reviewed, to ensure that they enable good quality, timely responses to be provided to applicants.	Important	Head of Planning; Development Manager	31/10/2020	30/09/2023	7	Outstanding	PSIP process for pre-applications has been delayed and will take place in Autumn 2023. Expect completion with new pre-app service in spring 2024.

APPENDIX 4 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2020/21

Audit	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2107 Procurement and Contract Management	That Management review and update the Business Continuity Plan, and other relevant policies in light of the COVID response, including reference to review of contracts.	Important	Civil Contingencies Manager; Director of Resources	31/08/2021	31/12/2023	5	Outstanding	Progress on this task has been delayed due to sickness absence. The Corporate Business Continuity plan is being fully revised. It uses some data from the Business Impact Analyses in each service area. The majority of the Business Impact Analysis documents sent to service managers in May 2023 have been returned and these have been internally audited. Some BIAs are still outstanding and there are some changes to NNDC-Critical activities that need to be agreed with senior managers. The Corporate Business Continuity plan will go to GRAC in December 2023.

APPENDIX 5 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2021/22

Audit	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2213 Waste Management	Recommendation 1: Review and update the Inter Authority Agreement to ensure that it is clear in terms of managing relations between all three member Authorities to reflect the operational status of the contract. In particular, this should include agreement on the principles which underpin how the contract should be managed for the benefit of all of the Councils, and on mechanisms for resolving disagreements between the Authorities if they arise.	Important	Director of Communities	29/07/2022	30/11/2023	4	Outstanding	<p>The initial drafting of the revised Inter-Authority Agreement (IAA) has been completed by officers at Breckland Council and shared with the Borough Council of King's Lynn and West Norfolk and North Norfolk District Council for comments or agreement. Eastlaw have been asked to provide a view on the IAA as drafted, with a response expected in the near future. Once agreement is reached at an officer level then the route to adopt across all three councils will be agreed.</p> <p>Given the complexity of agreeing a tri-district document it is suggested that a realistic completion date for the adoption of the IAA is 30th November 2023.</p>
NN2213 Waste Management	Recommendation 2: Obtain regular assurances that Serco complies fully with its complaints procedure and that there is audit trail to evidence this. Any non-compliances should be formally raised through the Operational Board meeting. A quarterly report should be made to the Contract Management Board by Serco along with details of corrective action taken.	Important	Environmental Services Manager	29/07/2022	31/10/2023	3	Outstanding	<p>Performance of the customer contact centre is now covered at the Contract Management Board meetings and this has seen an improvement in outcomes over the last few months.</p> <p>With a high workload and turnover within the team, it has not been possible to further implement a complaint monitoring system as had been intended, to ensure that all complaints passed to Serco are dealt with appropriately. It is hoped this will be progressed within the next few months, however, will be dependent upon resources and workloads.</p>
NN2202 Key Controls and Assurance	Recommendation 4 – All monthly bank reconciliations to be completed and reviewed promptly at the end of each month.	Important	Group Accountant	29/07/2022	30/09/2023	3	Outstanding	<p>The team are still looking at undertaking bank reconciliations within the new Financial Management System (FMS). As a temporary measure some reconciliations are being done monthly (manually).</p>

Audit	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2202 Key Controls and Assurance	Recommendation 3 – North Norfolk DC to ensure it receives 40% of income from the issuing Penalty Charge Notice (PCN) as per the terms of the contract with Borough Council of Kings Lynn & West Norfolk and this can be clearly evidenced.	Important	Group Accountant	25/05/2022	30/09/2023	1	Outstanding	At this time, we have no independent way of checking income generated from Penalty Charge Notices as they do not form part of the car park software. A conversation has been initiated between the Council and BCKLWN.
NN2214 Environmental Health	Recommendation 2: The Council to ensure that all licence fee income has been correctly accounted for and that there is agreement between Assure and eFinancials.	Important	Environmental Services Manager and Public Protection & Commercial Manager	30/06/2022	N/A	2	Outstanding	No response provided.

APPENDIX 6 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2022/23

Audit	Recommendation	Priority	Responsible Officer	Due Date	Revised Due Date	Number of times revised	Status	Latest Response
NN2303 Corporate Health and Safety	An inspection programme be developed and put in place for all types of inspections, including regularity, to enable monitoring of what has been completed and what is due.	Important	Assistant Director Resources	31/12/2022	30/09/2023	1	Outstanding	The Compliance Officer post has been recruited and is compiling the schedule of risk critical inspection works and progressing them as required. Work is in progress to configure the asset management system "Concerto" to support improved scheduling and reporting. A temporary change of lead management is under consideration due to a staff sickness absence. This will be progressed once this has been resolved.

LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT (AGS) 2022/23	
Executive 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 ' <i>Delivering Good Governance in Local Government: Framework</i> ' (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.
Options considered	None – this is a statement for review and approval.
Consultation(s)	Policy and Performance Manager; S.151 and Monitoring Officer
Recommendations	Members are asked to review and approve the Annual Governance Statement (AGS) along with the updated Local Code of Corporate Governance.
Reasons for recommendations	To review and record the Council's governance
Background papers	None

Wards affected	All
Cabinet member(s)	Cllr Adams and Cllr Shires
Contact Officer	Tina.Stankley@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	<p>A Strong, Responsible and Accountable Council</p> <p>Effective and efficient delivery</p> <ul style="list-style-type: none"> • Managing our finances and contracts robustly to ensure best value for money • Ensuring that strong governance is at the heart of all we do

Medium Term Financial Strategy (MTFS)	Governance report not specifically linked to MTFS
Council Policies & Strategies	None

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Public Report
Details of any previous decision(s) on this matter	Annual Governance Report – made yearly to the Governance Risk and Audit Committee

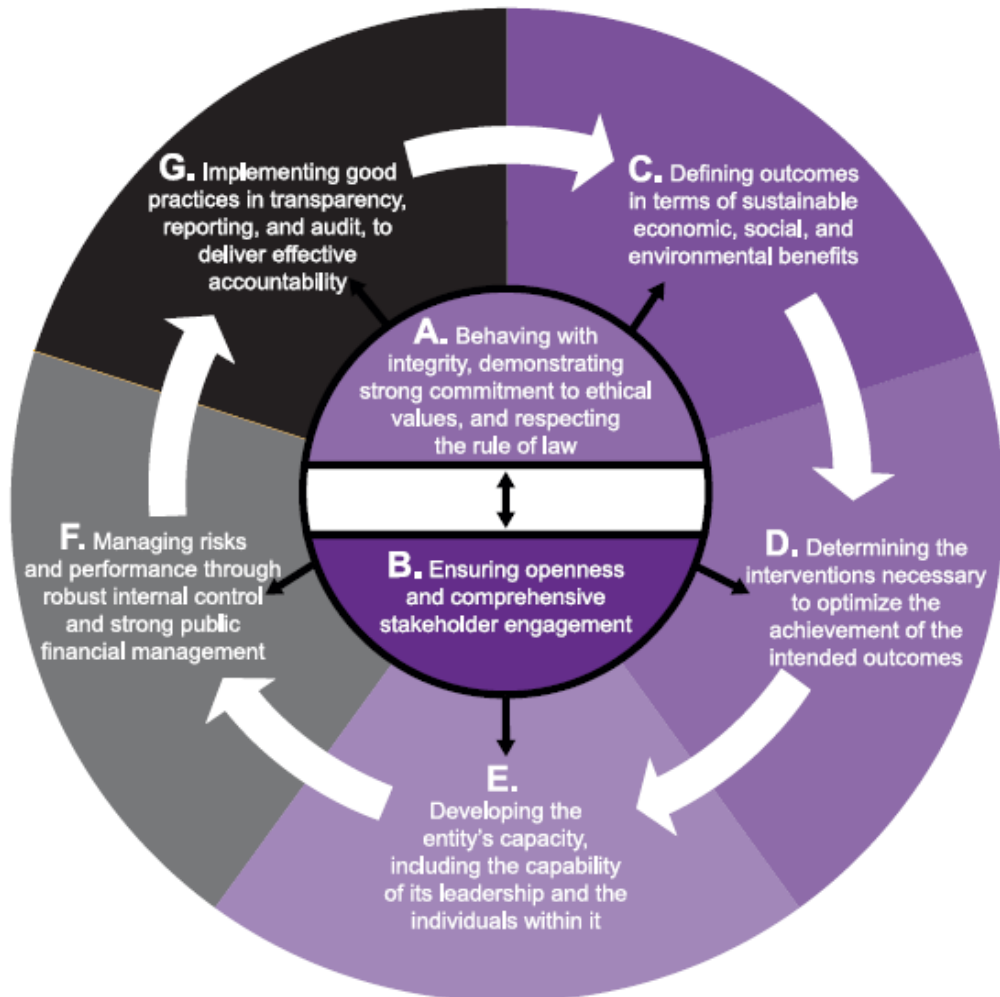
1. Introduction

- 1.1 Attached to this report are two documents for consideration by the Governance, Risk and Audit Committee (GRAC). These are;
- The Local Code of Corporate Governance (Appendix A)
 - The Annual Governance Statement (AGS) (Appendix B)

2. The Local Code of Corporate Governance

- 2.1 The Local Code of Corporate Governance (the Local Code) is a public statement of how the Council seeks to achieve good corporate governance. It is best practice for each authority to adopt a Local Code of Corporate Governance, which demonstrates how the Council will achieve good governance.
- 2.2 The 2016/17 financial year saw the introduction of the Local Code and was based on the development of the new '*Delivering Good Governance in Local Government: Framework*' (CIPFA/Solace, 2016) ('the Framework').
- 2.3 The Local Code was updated for the 2022/23 financial year and an updated draft for 2022/23 is included as part of this report for comment and consideration.
- 2.4 The main principle underpinning the emergence of the Framework continues to be that local government is developing and shaping its own approach to governance, taking account of the environment in which it now operates. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision-making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

- 2.5 The Framework follows the seven core principles and sub-principles of good governance as identified by CIPFA/SOLACE as shown below with principles A and B permeating the implementation of principles C to G. The diagram also illustrates that good governance is dynamic, and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review. The updated Local Code can be found within **Appendix A**.



- 2.6 There are some key requirements that need to be met to demonstrate compliance with the core principles and these are listed along with 'evidences' and source documents. These evidences must be reviewed regularly to ensure that they are up to date and remain sufficiently current. Any gaps in compliance are identified and form an action plan, which is monitored throughout the year.

3. Annual Governance Statement (AGS)

- 3.1 Also attached is the draft AGS for 2022/23 (Appendix B) which should be read and considered in conjunction with Appendix A (the Local Code). This statement provides assurances as to the in-year operation of the risk and governance arrangements adopted by the Council. It is prepared after reviewing all of the evidences available to the GRAC, the Council's Corporate Leadership Team, Management Team, Head of Internal Audit, external audit and the statutory officers of the Council.

- 3.2 The AGS sets out how the Council ensures that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, effectively and efficiently in the delivery of its services.
- 3.3 North Norfolk District Council has adopted its own Local Code of Corporate Governance, which supports this AGS. The Local Code is compliant with the recommendations of the CIPFA/SOLACE '*Delivering Good Governance in Local Government: Framework*' as updated for 2016.
- 3.4 The AGS is signed by the Leader of the Council and the Chief Executive. The GRAC are asked to consider and approve the draft report as attached.

4. Review of Effectiveness

- 4.1 The Council is committed to a sound system of Governance that reflects:
- openness, accountability and integrity
 - compliance with laws, policies and regulations
 - the identification and monitoring of all strategic and operational risks
- 4.2 The key document for the Council is the Corporate Plan. The risks to its achievement are outlined in the comprehensive risk registers maintained by the Authority.
- 4.3 The review of the Governance arrangements is undertaken through a number of mechanisms including the report from the Head of Internal Audit and the Heads of Service annual assurance certificates as well as the various inspection regimes undertaken by the External Auditors, all of which feed into and support the overall review.

5. Conclusion

- 5.1 The arrangements set out within the updated Local Code of Corporate Governance and the AGS will allow the Council to move forward with its corporate planning processes and remain confident that it can address the issues of governance and risk.

6. Recommendations

- 6.1 Members are asked to review and approve the AGS along with the updated Local Code of Corporate Governance.

7. Corporate Priorities

A Strong, Responsible and Accountable Council

Effective and efficient delivery

- Managing our finances and contracts robustly to ensure best value for money
- Ensuring that strong governance is at the heart of all we do

8. Financial and Resource Implications

No specific financial or staffing implications.

Comments from the S151 Officer:

The S151 Officer (or member of the Finance team on their behalf) will complete this section.

No financial consequences as a result of the contents of this report

9. Legal Implications

Comments from the Monitoring Officer

The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section. They will outline any legal advice provided.

This is an annual governance statement detailing how the Council acts to and conduct its business in accordance with the law and necessary standards

10. Risks

The report outlines the ways that the Council acts to comply with the law and necessary standards. Failure to approve the Statement risks that the Council may not have a written document to inform of the processes and standards expected.

11. Net Zero Target

No specific Net Zero considerations

12. Equality, Diversity & Inclusion

No particular considerations

13. Community Safety issues

None

14. Conclusion and Recommendations

The arrangements set out within the updated Local Code of Corporate Governance and the AGS will allow the Council to move forward with its corporate planning processes and remain confident that it can address the issues of governance and risk.

15. Recommendations

Members are asked to review and approve the AGS along with the updated Local Code of Corporate Governance.

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**North Norfolk District Council
Local Code of Corporate Governance 2022/23**

North Norfolk is a fantastic place to live, work and visit – covering over 360 sq miles of coastal and rural environment, with a population of 103,000 people living in 120 distinct communities, our District is one of England’s top holiday destinations and a place where people positively choose to live, with large numbers of people retiring to the area.

However, despite these positive attributes we also have some big challenges: responding to environmental change, increasing housing supply, supporting economic growth, meeting the challenges of service delivery to rural communities and the needs of both our young people and a rapidly ageing population. Our Corporate Plan sets out our vision for the Council and its work over the four year period 2019 to 2023. A new Corporate Plan to cover the following four years has now also been put in place. It reflects the essential needs and aspirations of our customers and communities and how we feel the Council can best use its resources to deliver services and outcomes that make a positive difference for everyone who lives in, works in or visits North Norfolk. The Corporate Plan is a strategic document, listing the priorities for council actions for the period 2019 to 2023, giving our shared vision and our values and listing the priority areas on which the council intends to concentrate its efforts:

- Local Homes for Local Need
- Boosting Business Sustainability and Growth
- Customer Focus
- Climate, Coast and the Environment
- Quality of Life
- Financial Sustainability and Growth

The Corporate Plan objectives are achieved by implementing the actions in the Delivery Plan. This plan sets out clearly what the Council intends to do. The plan is regularly reviewed and kept up to date to ensure it remains relevant. The Council, since the Covid-19 outbreak, has recognised that not all actions in the Delivery Plan can be delivered to the previously agreed timescales. Therefore, it has set key priorities within the Delivery Plan that it wants officers to give precedence over other actions. These key priorities were set in October 2020 and reviewed and updated in November 2021 and November 2022.

As a Local Authority, we are entrusted with public funds and aim to spend these wisely to improve outcomes in our District. Our Local Code of Corporate Governance is the framework of policies, procedures, behaviours and values which determine how we work to achieve our priorities, and is based upon the 7 core principles of the International Framework: Good Governance in the Public Sector which are as follows;

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entities capacity, including the capacity of its leadership and the individuals within it

- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

Good governance supports the Council through:

- Enabling the Council to achieve its objectives in an open and accountable way
- Ensuring decisions are sound and lawful, upholding the Council's reputation and minimising the risk of financial loss
- Ensuring decisions take into account local people's needs and priorities
- Giving the public confidence in the work we do
- Underpinning our Code with our four corporate values which are as follows;
 - We respect people and treat everyone fairly
 - We are open and honest and listen
 - We strive to offer the best value for money service
 - We welcome new challenges and embrace change
- Each year, the Council reviews its governance arrangements through the Annual Governance Statement, ensuring these arrangements are adequate and operating effectively. Where reviews identify any gaps in corporate governance, or areas for improvement, recommendations for improvements are made

North Norfolk District Council – Local Code of Corporate Governance

Principle	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting and audit, to deliver effective accountability
What we aim to achieve Page 121	We are accountable for the money entrusted to us. We can show decisions we take are appropriate and there are strong processes in place to encourage and enforce compliance with the Council's values and the law	Local Government is accountable to its public. We use clear channels of communication to engage with our residents and stakeholders, understanding their needs. We manage expectations and model Service delivery to respond to demand	We form clear, long term priorities in line with our long term ambitions. We balance the competing demands and priorities we face and allocate resources accordingly.	We have robust decision making processes to ensure defined outcomes can be achieved given the varying demands we face. We monitor our performance and delivery on an ongoing basis to ensure intended outcomes are achieved	We invest in our people and work to develop our talent to maximize the potential of the resources we hold. We remain at the forefront of national developments to support our commitment to retaining viability.	We have robust management information procedures to ensure that outcomes are accurately reported and monitored. We welcome challenge to the way we operate, and actively learn in order to improve the way we deliver	We pro-actively make information available to give Stakeholders confidence in our decision making. We have strong systems of oversight, including audit and scrutiny, to maintain accountability for our delivery

Principle	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Ensuring openness and comprehensive stakeholder engagement	Defining outcomes in terms of sustainable economic, social and environmental benefits	Determining the interventions necessary to optimise the achievement of intended outcomes	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Managing risks and performance through robust internal control and strong public financial management	Implementing good practices in transparency, reporting and audit, to deliver effective accountability
<p>The key tools we use to support our compliance</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 122</p>	<ul style="list-style-type: none"> Codes of Conduct Constitution Member/Officer protocol Corporate Values Financial Standing Orders Contract Standing Orders Staff/Member induction/training Appraisal and development systems/ 'Check Ins' Performance Management Framework Counter-Fraud, Corruption and Bribery Strategy Whistleblowing Policy Register of Interests/Gifts Compliments and Complaints Procedure Procurement Policy Partnership Framework & Principles Guidance 	<ul style="list-style-type: none"> Customer Service Strategy Publication of minutes and decision notices Customer Complaints and Compliments Procedure Consultation Exercises Communications Delivery Plan 2021 Quarterly performance reports Performance Management Framework Performance Portal FOI scheme Council website Corporate Plan Committee timetables Constitution Statutory provisions Partnership Framework Member Bulletin Staff updates Intranet Customer Charter 	<ul style="list-style-type: none"> Corporate Plan Delivery Plan Annual Service Planning Budget and Capital Programme Medium Term Financial Strategy Asset Management Plan Risk Management Framework/Business Continuity Plan/Policy Programme Management approaches Equality Assessments Performance Management Framework Communications Delivery Plan 2021 Committee reports Housing Strategy Net Zero Strategy & Action Plan 	<ul style="list-style-type: none"> Committee work Programmes/ timetables Consultation exercises Risk Assessments/Framework Procurement Strategy Reviews of core services Medium Term Financial Strategy Communications Delivery Plan 2021 Performance Management Framework Partnership Framework and Principles Guidance Budget framework Committee reports Annual Governance Statement 	<ul style="list-style-type: none"> Service Reviews Scheme of Delegation Performance Management Framework Peer Reviews Appraisal and development systems/ 'Check Ins' New Ways of Working Policy Attendance & Absence Policy Employee Code of Conduct Diversity & Equality Policy Asset Management Plan Partnership Framework and Principles Guidance Job descriptions Benchmarking exercises 	<ul style="list-style-type: none"> Risk Management Framework/Business Continuity Plan/Policy Team Plans Overview & Scrutiny Governance, Risk & Audit Committee (GRAC) Internal/external audit Budget Management procedures Treasury Management Strategy Debt Management Policies Health and Safety Policies Information Management Strategy Performance Management Framework Quarterly performance reports/SIRO Officer Information Management Strategy Data Protection Policy Data Quality Policy Risk Assessments Corporate Risk Register Service Risk Register 	<ul style="list-style-type: none"> Internal/external audit External inspection of internal audit Corporate Governance Frameworks Annual Governance Statement Pay Policy Statement Transparency agenda Council website Monitoring Officer's Annual Report Financial Statements Overview & Scrutiny Committee Quarterly performance reports Performance Portal Local Code of Corporate Governance Audit protocols Medium Term Financial Strategy

Principles of Good Governance

Behaviours and actions that can demonstrate this

How we put this in practice

Source Documents

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation

The Council has approved Codes of Conduct which are included within induction packs. All officers are part of the Council's performance management framework and expected to perform in line with designated competencies appropriate to their role and job description. The authority's leadership style is underpinned by the Constitution, Policies, Protocols and Codes of Conduct. The values of the organisation are documented and displayed in the Council's offices and on individual monitors. The Council has introduced and encourages public speaking at Committees and has invested in upgrading its website and Intranet, actively managing its content to ensure easy access to information. The Corporate Delivery Unit (CDU) work continuously to further embed these principles.

Constitution, Articles in Members Bulletin, Head of Paid Service update emails, CLT Intranet articles, Corporate briefings held during the year to update staff about key issues and items, Appraisal and Development Scheme/'Check Ins', Member/Officer Codes of Conduct, Member/Officer Protocol, Whistleblowing policy, Counter Fraud, Corruption and Bribery Strategy, Freedom of Information (statement and publication scheme), Planning Protocol, Standards Committee, Officer Register of Gifts and Hospitality, Member / Officer Registers of Interests, Annual Governance Statement, Local Code of Corporate Governance, Information and support provided by the Corporate Delivery Unit (CDU).

	<p>Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)</p>	<p>The Corporate Plan sets out our clear vision for the District, and our ambition. This is further supported by our Delivery Plan which is monitored through the Council's Performance Management Framework/CDU and InPhase.</p>	<p>Corporate Plan, Delivery Plan, Performance Management Framework/CDU, Standards Committee Annual Report, Model Councillor Code of Conduct Member/Officer Codes of Conduct, Member/Officer Protocol, Whistleblowing policy, Counter Fraud, Corruption and Bribery Strategy, Member / Officer Register of Gifts and Hospitality, Performance Management Framework, Complaints and Compliments</p>
	<p>Leading by example and using these standard operating principles or values as a framework for decision making and other actions</p>	<p>The values of the organisation are well documented and shared on the Council's log in screen to remind staff every day of the values and behaviours we expect from staff. Our decision-making processes are embedded into the Council's Constitution, which is periodically reviewed and endorsed by Councillors. Members are required to make any 'Declarations of Interest' where appropriate.</p>	<p>Corporate Plan, Constitution, Member/Officer Codes of Conduct, Whistleblowing policy, Counter Fraud, Corruption and Bribery Strategy, Planning Protocol, Member/Officer Register of Gifts and Hospitality, Member/Officer Registers of Interests, Financial Regulations, Contract Procedure Rules, Diversity and Equality Policy, Member / Officer Induction and Training Governance, Risk & Audit Committee (GRAC) terms of reference.</p>

	<p>Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</p>	<p>The Council has a number of documents which reinforce its commitment to best practice, including Whistleblowing policies, Counter-fraud and Corruption policies, Registers of Interests and Gifts and Hospitality and Complaints policies. These are all subject to periodic review. New staff are required to review the Council's key policies as part of the induction process and to sign to confirm this has been completed.</p>	<p>Member/Officer Codes of Conduct, Whistleblowing policy, Counter Fraud, Corruption and Bribery Strategy, Planning Protocol, Member / Officer Register of Gifts and Hospitality, Member / Officer Registers of Interests, Financial Regulations, Contract Procedure Rules, Combined Equalities Scheme, Member / Officer Induction and Training, Governance, Risk & Audit Committee (GRAC) terms of reference, Constitution.</p>
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	<p>Seeking to establish, monitor and maintain the organisation's ethical standards and performance</p>	<p>The Nolan principles are embedded into Codes of Conduct. The Monitoring Officer produces an Annual Report on the activity of the Standards Committee and its activity to maintain the organisation's standards. The Council has achieved Investors in People Silver status, demonstrating its commitment to monitoring our organisation's standards and performance. Shared values have been developed and are reflected throughout the building including the intranet. Leadership training has been undertaken between the Corporate Leadership Team and the Management Team to reinforce these values. Internal Audit provides assurance that policies built on ethical standards are being complied with. On-going monitoring of the application and effectiveness of the local standard regime is undertaken.</p>	<p>Staff and Member Briefings, Corporate Plan, Internal & External Audit Reports, Monitoring Officer's Annual Report. Standards Committee (Terms of Reference)</p>
	<p>Underpinning personal behaviours with ethical values and ensuring they permeate all aspects of the organisation's culture and operation</p>	<p>New members and staff are provided inductions, which emphasise areas such as codes of conduct and appropriate behaviours. Ongoing training is then provided, for example through Member training sessions</p>	<p>Internal Audit Reports, Competency framework, Appraisal system/'Check In' process, Constitution, Staff & Member training and development.</p>

	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values	In addition to policies identified above, the Constitution includes specific rules and procedures with respect to procurement; financial governance, and members sitting in a regulatory capacity. These are reviewed and updated on a regular basis.	Constitution, Member/Officer Codes of Conduct, Whistleblowing Policy, Counter Fraud, Corruption and Bribery Strategy, Procurement Strategy.
	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with high ethical standards expected by the organisation	As part of Council procurement exercises, service providers are required to provide statements confirming compliance with ethical standards and, for example, anti-money laundering statements. The Partnership Framework and Principles Guidance also further support this.	Council's Website, Constitution, Anti-money Laundering Policy, Procurement Strategy, Individual Partnership / Service Level Agreements, Partnership Framework and Principles Guidance.
	Ensuring members and staff demonstrate a strong commitment to the rule of law as well as adhering to relevant laws and regulations	The Constitution is regularly updated to include new specific laws and regulations. Staff are required to hold relevant professional qualifications and comply with the law and codes of conduct. The Council has an appointed Monitoring Officer responsible for the maintenance of the Constitution and for guiding members on the information contained therein. The Council has appropriate legal advice both on the specific requirements of legislation and the general responsibilities placed on local authorities by public law. Induction training for new staff includes review of the Council's policies, which include provisions from legislation.	Constitution, Report Template requiring input from Monitoring Officer and S151 Officer (information quality for decision taking) / positive sign off, Legal advice to Licensing and Planning Committees, Statutory Provisions, Whistleblowing policy, Counter Fraud, Corruption and Bribery Strategy, Data Protection Policy, GDPR guidance and training, IT Security Policy, ICT Waste Disposal Policy.

	<p>Creating the conditions to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements</p>	<p>Staff are provided with key legal changes where relevant in addition to the Council holding a number of subscriptions to services to ensure staff are provided with appropriate professional support. Members making regulatory decisions are provided with training to ensure they are sufficiently aware of the legal requirements of their role. Areas for focus are highlighted as part of the appraisal process/'Check Ins' and provided as part of the corporate training plan.</p>	<p>Constitution, Monitoring Officer Provisions / Protocol, Report Template requiring input from Monitoring Officer and S151 Officer (information quality for decision taking) / positive sign off, Availability of legal advice to Licensing and Planning Committees, Appraisal framework/'Check In' process, Job descriptions, Committee Terms of Reference, Training for statutory officers.</p>
	<p>Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders</p>	<p>There are clear, defined decision-making processes within the Council to ensure that all appropriate options are considered prior to any decisions being made.</p>	<p>Monitoring Officer Provisions / Protocol, Report Template, Standing Orders, Complaints and Compliments Procedures, Investigations, Records of Delegated Authority decisions, Planning protocol, Project Management Framework and processes.</p>
	<p>Dealing with breaches of legal and regulatory provisions effectively</p>	<p>The Monitoring Officer and Section 151 Officer are informed of all key decisions to be made and any such occurrences are reported as required. These officers are nominated officers under the Whistleblowing Act and are available to officers and Members for advice</p>	<p>Monitoring Officer Provisions / Protocol, Records of Delegated Authority decisions, Constitution, Standing Orders.</p>

	Ensuring corruption and misuse of power are dealt with effectively	The Council has a well-established Counter Fraud, Corruption and Bribery Strategy, access to which is available on the Intranet.	Counter Fraud, Corruption and Bribery Strategy, Whistleblowing Policy, Constitution.
<p><i>Ensuring openness and comprehensive stakeholder engagement</i></p> <p>Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.</p>	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	The Council has a clear vision, demonstrated through its Corporate Plan. The website has undergone a number of improvements and provides a large amount of information to the public, including a section dedicated to the requirements of the Transparency Code. The Council has an FOI policy in place and publishes an online, interactive progress report on delivering the Corporate Plan.	Constitution, Stakeholder Identification, Performance Management Framework/CDU, Communications Delivery Plan 2021 Satisfaction Surveys, Councillor Call to Action, Council Tax online information, Norfolk Crime and Disorder Partnership, Council's Website including consultations page and Corporate Plan public portal.
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided	All Committee reports are prepared using pre-agreed templates. If a Cabinet meeting has to consider anything under Part 2 business the press/public will be excluded for that item but the reasons for this need to be justified and is often on the basis of commercial sensitivity.	Meeting minutes, Communications Delivery Plan 2021, Statutory Provisions, Council's Website, Forums and Partnerships, Direct communication with Parish & Town Councils

	<p>Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear</p>	<p>The Committee schedule is prepared in advance of the year and is then subject to negotiation with key officers to ensure timely decisions can be made. All Committee reports are subject to pre-approval procedures, including pre-meetings with key members and consultation with portfolio holders to ensure relevant matters have been taken into account. Reports are based on agreed templates and must record key considerations and decisions.</p>	<p>Committee timetable, Council's Website, Constitution, Report template, Meeting minutes, Input from Monitoring Officer/S151 Officer.</p>
	<p>Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action</p>	<p>The Council adapts its consultation procedures according to the relevant decision being made with the public on planning decisions. Decisions are considered on a case by case basis and in line with legal requirements</p>	<p>Planning protocols, Communications Delivery Plan 2021, Legal requirements, Consultation workshops, Direct communication with Parish & Town Councils, Local Development Framework, Council's Website including consultations page Direct communication with Parish & Town Councils</p>
	<p>Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably</p>	<p>Engagement practices are adapted to the environment rather than operating to a pre-defined strategy. Where appropriate, particularly where major change occurs that is likely to have a significant impact on the public, communication plans are developed to tailor engagement and to plan for responding to particular circumstances.</p>	<p>Communications Delivery Plan 2021, Consultation workshops, Local Development Framework consultation, Council's website, Direct communication with Parish & Town Councils. Introduction of a Youth Council</p>

	<p>Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively</p>	<p>This is an inherent part of the Council's operation. Partnerships are developed to support service delivery and link to activities within the Corporate Plan and Team Plans. Partnerships are subject to periodic review to ensure they remain effective and deliver Council outcomes.</p>	<p>Partnership Framework and Principles Guidance.</p>
	<p>Ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> • trust • a shared commitment to change • a culture that promotes and accepts challenge among partners <p>and that the added value of partnership working is explicit</p>	<p>Partnerships are based on the Partnership Framework and Principles Guidance and include a Service Level Agreement (SLA) where appropriate. Each Partnership will normally have a defined agreement (SLA etc), which will detail the nature of the working relationship and how it operates, including any governance arrangements. Managers are accountable for ensuring the successful operation and monitoring of partnerships.</p>	<p>Partnership Framework and Principles Guidance, Team Plans Self-Assessment Assurance Statements.</p>
	<p>Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.</p>	<p>The Council has a clear Communications Delivery Plan 2021 that details how we will engage, consult and listen to our community and stakeholders.</p>	<p>Communications Delivery Plan 2021, Website - consultations page.</p>

	<p>Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement</p>	<p>Communications come through various forms. Communication Plans are developed for more significant changes that will have an impact on the public. Members receive a monthly bulletin informing them of key events ongoing in the Council of which they need to be aware. Key messages to staff are delivered through quarterly All Staff Briefings, fortnightly CLT updates and other information placed on the intranet.</p>	<p>Communications Delivery Plan 2021, Members Bulletin, Staff Bulletin, Website, Head of Paid Service briefings Intranet, Community Engagement Strategy.</p>
	<p>Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs</p>	<p>As above, engagement comes through a variety of forms and is covered by the Council's Communications Delivery Plan 2021. Specific decisions will be subject to consultation – for example, the Local Plan Process has various forms of communication and engagement to ensure the public and wider stakeholders are fully consulted.</p>	<p>Communications Delivery Plan 2021, Planning Local Plan Review process/protocols, Consultation workshops (North Walsham HAZ), Website consultations page. Establishing a Youth Council</p>
	<p>Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account</p>	<p>The Council welcomes customers to raise concern or compliments with any aspect of service provision. All complaints and compliments are recorded on a corporate database. A summary of complaints and compliments is reported on through InPhase via a quarterly statement with decisions fed back to stakeholders. The outcome from consultation activities are published on the Council website.</p>	<p>Communications Delivery Plan 2021, Customer Complaintsand Compliments Procedure, Customer Service Strategy, Website consultations pages.</p>

	<p>Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity</p>	<p>This seeks to primarily address how the council can deal with competing demands in a community. The primary competing demand for the Council is the decreasing level of Council resources versus demands from customers for a high level of service.</p>	<p>Communications Delivery Plan 2021, Diversity & Equality Policy, Equality Impact Assessments (EQIA's), Community Engagement Strategy.</p>
	<p>Taking account of the interests of future generations of tax payers and service users</p>	<p>This is considered on a case by case basis and balancing the various needs within the Council.</p>	<p>Committee reports, Budget setting process including a residents survey of priorities for the Council, Equality Impact Assessments (EQIA's).</p>

<p><i>Defining outcomes in terms of sustainable economic, social, and environmental benefits</i></p> <p>The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.</p>	<p>Having a clear vision which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions</p>	<p>The Council's Corporate Plan clearly identifies the organisation's vision and purpose. This is supplemented by the Delivery Plan which identifies specific objectives and is reported upon regularly throughout the year. The Team Planning process is directly linked to these plans, and set out specific activities to achieve outcomes in the Plan. Each activity is linked to defined corporate plan objectives which then cascades into individual performance and Team Plan objectives and delivery is monitored and supported by the Corporate Delivery Unit (CDU). In July 2021 the Council approved the Housing Strategy 2021-2025. In February 2022 Full Council approved the Net Zero Strategy & Action Plan which details the Council's commitment to achieving net-zero by 2030.</p>	<p>Corporate Plan, Delivery Plan, Team Plans, Performance and Risk system, Appraisal framework/'Check Ins', CDU, Housing Strategy 2021 – 2025, Net Zero Strategy & Action Plan.</p>
	<p>Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer</p>	<p>The Corporate Plan 2019-23, Delivery Plan and Team Plans identify specified performance measures to evaluate how the organisation will deliver its priorities and benefit its local environment and this is reported on regularly throughout the year.</p>	<p>Corporate Plan, Delivery Plan, Team Plans, Performance and Risk system including Performance Pubic Portal on the Council website, Quarterly performance reporting.</p>

	<p>Delivering defined outcomes on a sustainable basis within the resources that will be available</p>	<p>The Team Plans feed into the budget setting process which identifies the level of cost and resources required to deliver the activity. There are frequent updates to committees in terms of budget monitoring and also performance against the targets and objectives contained within the Delivery Plan to demonstrate how the Council is delivering against its objectives.</p>	<p>Corporate Plan, Delivery Plan, Team Plans, Performance and Risk system, Budget monitoring protocols and reports, Committee reports, Medium Term Financial Strategy.</p>
	<p>Identifying and managing risks to the achievement of outcomes</p>	<p>The Council has an agreed Risk Management Framework, and has embedded reporting of risk (to the Governance, Risk and Audit Committee and the Corporate Leadership Team (CLT)) alongside its performance and financial reporting to ensure these are reviewed on an ongoing basis. Individual Team Plans and key decisions are subject to risk assessment at the time to ensure that issues have been raised and mitigation plans developed.</p>	<p>Risk Management Framework, CLT reports and minutes, Committee reports, Performance and Risk system, Risk registers for major projects such as the re-provision of the Splash/Reef leisure complex</p>
	<p>Managing service users expectations effectively with regard to determining priorities and making the best use of the resources available</p>	<p>The Delivery Plan and Team Plans define established performance measures to monitor how services are provided and the outcomes achieved. Team Planning helps to determine how resources should be allocated to defined activities, as well as the core 'business as usual' service delivery. The Communications Delivery Plan 2021 and plans help to set expectations to service users on their potential user experience.</p>	<p>Corporate Plan, Delivery Plan, Team Plans, Performance and Risk system, Communications Delivery Plan 2021, Budget process, Medium Term Financial Strategy, Customer Charter, Customer Service Strategy.</p>

	<p>Considering and balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision</p>	<p>The Council takes into account a wide range of factors when considering the impact of policies and plans when making decisions about service delivery. For example, the capital bidding process requires managers to complete a capital budget template which details not only the cost of their proposals but also any wider benefits in terms of service delivery, environmental enhancements etc. This is supported by the Capital Strategy and the budget framework and monitoring processes.</p>	<p>Medium Term Financial Strategy, Capital bidding process, Budget framework, Capital Strategy, Diversity and Equality Policy, Net Zero Strategy & Action Plan.</p>
	<p>Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints</p>	<p>All decision making should be linked to the Council's longer term Corporate Plan and Medium Term Financial Strategy. The Team Planning process helps to support this in that all activities should be identified in the Team Plan and any additional activities would have to be subject to appropriate consideration, taking into account the ability to deliver already identified priorities. This can be evidenced through decisions taken at Cabinet.</p>	<p>Corporate Plan, Medium Term Financial Strategy, Budget setting process, Annual Outturn report, Team Plans, Committee reports.</p>
	<p>Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs</p>	<p>Decisions made have to necessarily balance the public interest and achievement of outcomes, as can be evidenced through various committee reports.</p>	<p>Corporate Plan, Communications Delivery Plan 2021, Committee reports and minutes, Annual Governance Statement, Net Zero Strategy & Action Plan.</p>

	Ensuring fair access to services	The Council evaluates equality impacts as appropriate within its decision making, ensuring due regard is given to enabling groups to access services. Our Customer Strategy seeks to support this through identifying how customers access services and ensuring that the Council's service provision responds to this.	Diversity and Equality Policy, Equality Impact Assessments (EQIA's), Statutory guidance, Customer Service Strategy.
<p><i>Determining the interventions necessary to optimise the achievement of the intended outcomes</i></p> <p>Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.</p>	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and including the risks associated with those options. Therefore ensuring best value is achieved however services are provided	This can be evidenced through papers presented to Cabinet and to the Council's Overview & Scrutiny Committee which helps to ensure this is put into practice by engaging with members at the earliest possible stage in the development of plans and strategies, enabling their input into the potential options and ensuring these have been considered before key decisions are made.	Committee reports and minutes, report template.
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts	This is covered within the Council's Communications Delivery Plan 2021 and can be further evidenced through the consultation processes involved with the update of the Local Plan. The Council's Medium Term Financial Strategy also enables the Council to prioritise competing demands with limited resources.	Communications Delivery Plan 2021, Medium Term Financial Strategy, Local Plan protocols, Council website consultations page, Delivery Plan.

	<p>Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets</p>	<p>The annual committee programme is developed in advance of the calendar year. Pre-Committee meetings discuss forthcoming reports with key officers and members to ensure these are programmed, with each Committee having its own specified work programme. There are clear programmes in place for the business planning and financial planning cycle, which are complementary to each other.</p>	<p>Committee timetables and work plans, Committee reports, Budget setting framework, Corporate Plan process, Team Planning process.</p>
	<p>Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered</p>	<p>This is a necessary part of our planning, and can be evidenced through the ongoing work on the development of the new Local Plan.</p>	<p>Communications Delivery Plan 2021, Council website consultations page, Local Plan protocols.</p>
	<p>Considering and monitoring risks facing each partner when working collaboratively including shared risks</p>	<p>This is a necessary part of planning for partnership working. Each partnership has associated protocols or agreements (SLA's) to outline how it will operate, which would be subject to agreement with each partner to ensure their risks and challenges have been taken into account.</p>	<p>Partnership Framework and Principles Guidance, Risk Management Framework.</p>

	Ensuring arrangements are flexible and agile so that the mechanisms for delivering outputs can be adapted to changing circumstances	Change procedures, poor performance and termination is embedded into agreements and contracts to ensure that the Council is not locked into arrangements which are not effective. Performance targets for individuals and partnerships are reviewed regularly and incorporated within Team Plans.	Partnership Framework and Principles Guidance, Performance and Risk system, contract key performance indicators (KPIs).
	Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured	This is firmly embedded into the Delivery Plan and Team Planning process. Each year, and then as part of quarterly reporting, key performance indicators are subject to review to ensure to introduce new / amendments to the indicators, and ensure they remain SMART.	Delivery Plan, Team Plans, Annual Report, Quarterly performance reports.
	Ensuring capacity exists to generate the information required to review service quality regularly	The Council has a Policy & Performance Management Manager who works with officers and Members to monitor and track performance cascading down from the Corporate Plan, Delivery Plan and into the Team Plans. There are quarterly performance reports to Committee to monitor performance, highlighting any corrective action that might be required where appropriate.	Corporate Plan, Delivery Plan, Team Plans, Quarterly reports. Performance and risk system, Continuous reporting to the public on the Council website.
	Preparing budgets in accordance with organisational objectives, strategies and the Medium Term Financial Strategy	The Budget and Team Planning process is fully integrated, with priorities cascading down from the Corporate Plan and Delivery Plan into Team Plans. Managers develop their budgets and resource requirements with the finance team to ensure these objectives are deliverable.	Corporate Plan, Delivery Plan, Team Plans, Budget setting process including pilot Zero Based Budgeting process for 2022/23, Committee reports, Medium Term Financial Strategy.

	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy	The Team Planning and budget cycles are fully integrated and informed by the production of the Medium Term Financial Strategy, which sets out how the Council will address the future funding challenges.	Corporate Plan, Delivery Plan, Team Plans, Budget setting process, Committee reports, Medium Term Financial Strategy.
	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	The Medium Term Financial Strategy is updated ahead of the Team Planning and budget setting process to ensure it remains deliverable. Budgets and Team Plans are then based on this work to take account of any potential issues as required.	Team Plans, Budget setting process, Committee reports, Medium Term Financial Strategy.
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term	As above, the budget and Team Planning process comprehensively links service demands and activities to the projected cost of service delivery.	Team Plans, Budget setting process, Committee reports, Medium Term Financial Strategy.
	Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage	This is covered within the Council's Medium Term Financial Strategy which considers issues ongoing service delivery costs and issues in the context of the ever changing external environment to ensure resources are optimised and that efficiency plans are developed where appropriate.	Team Plans, Budget setting process, Committee reports, Medium Term Financial Strategy.

	<p>Ensuring the achievement of 'social value' through service planning and commissioning. The Public Services (Social Value) Act 2012 states that this is "the additional benefit to the community...over and above the direct purchasing of goods, services and outcomes"</p>	<p>The Council has committed, through its Procurement Strategy, to supporting social value. The completed procurement for the waste contract helps to demonstrate this with some of the scoring being allocated to Social Value.</p>	<p>Procurement Strategy, Leisure tender documents, Community Asset Transfer Policy, Diversity and Equality Policy.</p>
<p><i>Developing the entity's capacity, including the capability of its leadership and the individuals within it</i></p> <p>Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfill its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.</p>	<p>Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness</p>	<p>All changes in staffing are subject to robust procedures to ensure that resources are right for the relevant service.</p> <p>The Council has a defined Asset Management Plan supported by a number of other policy and supporting documents including; the Commercial Property Strategy, The Land and Property Acquisition Policy, The Land and Property Disposal Policy, Assets of Community Value procedure and guidance, Asset Proposal process and use of Council property assets for events. This suite of documents was reviewed, updated and agreed by Committee in March 2018. All of these policies and guidance documents combine to help ensure that property assets are effectively utilised while supporting the Council's developing financial sustainability and growth agenda which is a key theme within the Council's Corporate Plan.</p>	<p>Asset Management Plan, Disposal, Investment and Acquisitions Policy, Commercial Property Investment Strategy, The Acquisition Policy, The Disposal Policy, Assets of Community Value procedure and guidance, Asset Proposal process, Use of Council property assets for events, Corporate Plan, Capability Review.</p>

	<p>Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently</p>	<p>The Council participates in peer reviews to support further improvements. Benchmarking using LG Inform data takes place on a regular basis.</p>	<p>Peer reviews, Benchmarking reports, Business Planning Reviews.</p>
	<p>Recognising the benefits of partnerships and collaborative working where added value can be achieved</p>	<p>Partnership agreements are subject to a robust review to ensure they deliver against Council priorities. Services are required to identify within business planning processes the financial resources required to deliver through partnership means as opposed to internal service delivery.</p>	<p>Partnership Framework and Principles Guidance, Team Plans, Budget protocols.</p>
	<p>Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources</p>	<p>There are numerous Organisational Development plans, strategies and policies in place to help support the Council's staff such as the New Ways of Working Policy, which supports staff to work more flexibly and New Ways of Working Policy and Guidelines to reflect changes in Workforce practices brought about in response to the COVID19 pandemic and updated to reflect organisational culture. The Appraisal and Development scheme/'Check In' process is fully integrated into the Council's planning processes.</p>	<p>Appraisal and Development scheme/'Check Ins', New Ways of Working Policy, Employee Code of Conduct.</p>

Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained

The Corporate Plan 2019 – 2023 has been agreed and adopted and the Delivery Plan is being implemented. The Chief Executive has regular meetings with the Leader and also the Leaders of the two other Groups and continue to hold Business Planning meetings to discuss forthcoming issues and reports. These meetings help to clarify objectives and outcomes at an early stage and are supported by the various Cabinet and Portfolio Members. They are strongly empowered to support Portfolio Holders and Assistant Directors in developing their roles and relationships.

Job descriptions, Member and Officer protocols, Working Arrangements Protocol, Member training, LGA support, Corporate Plan, Delivery Plan.

	<p>Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body</p>	<p>The Council has a Scheme of Delegation which is periodically reviewed to ensure it remains current. A Constitution review is currently being undertaken. Standing Orders and Financial Regulations are also periodically reviewed. This process is</p>	<p>Constitution, Constitution Working Party.</p>
	<p>Ensuring the Leader and the Chief Executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads the authority in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority</p>	<p>As outlined above, the relationship between the Chief Executive and Leader are clear as regards their respective roles and responsibilities are clearly defined.</p>	<p>Job descriptions, Member and Officer Protocols, Working Arrangements Protocol.</p>

	<p>Developing the capabilities of members and senior management to achieve effective shared leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:</p> <p>ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged</p> <p>ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis</p> <p>ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external</p>	<p>The Council has been well recognised for developing the leadership of staff at all levels in the organisation. A robust performance programme is in place to encourage open and honest communication with staff, enable effective performance management discussions and identify future development needs. This is fully supported by the Appraisal Framework/‘Check In’ process which is fully embedded within the Council’s processes. Training requirements flowing from the appraisal/‘Check In’ process feed into the corporate training needs assessment undertaken by the Organisational Development team. Members are provided induction training on commencing their roles at the Council and encouraged to identify training needs. Ongoing training is held on a knowledge and competency basis, enabling members to develop their skills at all levels. An annual member training programme is produced to support their development.</p>	<p>Appraisal framework/‘Check Ins’, Corporate Training programme, Service specific training requirements, Skillgate, Training update courses/briefings, Staff/Member induction protocols. Briefings for Members</p>
	<p>Ensuring that there are structures in place to encourage public participation</p>	<p>The Council welcomes members of the public to engage in decision making Notice of Council meetings is published on our website with information about how a member of the public may participate, with meetings being held in public where possible and consultations undertaken on relevant decisions.</p>	<p>Committee minutes, Website consultations pages, E democracy channels.</p>

	<p>Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections</p>	<p>The Council periodically has peer reviews and takes part in benchmarking and other relevant processes to evaluate leadership effectiveness. Feedback is welcomed and considered to ensure that it can be implemented.</p>	<p>Peer review, 360 Degree Appraisal, Appraisal framework/'Check Ins'.</p>
	<p>Holding staff to account through regular performance reviews which take account of training or development needs</p>	<p>The Council has a clearly defined performance management framework and appraisal system which is now further supported by the new 'Check In' process which involves regular quarterly catch ups as part of an ongoing performance discussion. Objectives and personal development plans are established for staff at all levels.</p>	<p>Appraisal framework/'Check Ins'.</p>
	<p>Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing</p>	<p>The Council places strong emphasis on employee health and wellbeing. The Council's Staff Focus Group and the Health and Wellbeing Group help senior leadership implement health and wellbeing initiatives; such as active workplace events which staff are encouraged to take part in at all levels. There is a section dedicated to Health and Wellbeing on the Council's Intranet which staff and Members can access.</p>	<p>Health and Wellbeing Group agendas and minutes, Staff Focus Group, Various HR policies and strategies, Intranet.</p>

Managing risks and performance through robust internal control and strong public financial management Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making

The Council has an agreed Risk Management Framework and risk is managed by CLT along with the Governance, Risk and Audit Committee (GRAC). The Committee report templates which must be used for all Committee reports include a specific section on risk and staff and managers are encouraged to raise risks, and how these should be managed/ mitigated as part of key decision-making processes. At an operational level, staff are encouraged to take personal accountability for risks. Risk reviews are held in each service twice a year with significant risks assessed for inclusion in the Corporate Risk Register. The Council has a Business Continuity Management Framework and Business Continuity Policy with Business Continuity Plans in place for key service areas which are subject to annual review. Specific risk training has been undertaken with Members including establishing the Council's risk appetite. The Corporate Delivery Unit (CDU) will also strengthen this area.

GRAC reports/ minutes, Committee report template, Health and Safety Policy, Risk assessments, Business Continuity Policy Business Continuity Management Framework, Business Continuity Plans, CLT reports/ minutes Performance and Risk system, Corporate Risk Registers, Corporate Delivery Unit (CDU).

<p>A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.</p>	<p>Implementing robust and integrated risk management arrangements and ensuring that they are working effectively</p>	<p>The Risk Management Framework has been agreed through the relevant decision-making processes and is subject to regular review and updating. On a quarterly basis, key risks are formally evaluated and monitored by the Governance, Risk and Audit Committee (GRAC), however services are expected to maintain a watching brief on all operational level risks on a daily basis. In addition, Risk reviews are held in each service twice a year with significant risks assessed for inclusion in the Corporate Risk Register. Health and Safety risks are also monitored as part of this process.</p>	<p>GRAC reports/minutes, Health and Safety Policy, Risk assessments, Business Continuity Policy, Business Continuity Management Framework, Business Continuity Plans, CLT reports/ minutes Corporate Risk Register, Performance and Risk system, Service risk template, Corporate risk template, Risk registers for major projects (The Reef / North Walsham HAZ).</p>
<p>It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.</p>	<p>Ensuring that responsibilities for managing individual risks are clearly allocated</p>	<p>Each risk within the Corporate Risk Register has been formally allocated to individual responsible owners. Service risks are owned by the relevant service manager.</p>	<p>Corporate Risk Register, Performance and Risk system, Risk registers for major projects (The Reef / North Walsham HAZ).</p>

	<p>Monitoring service delivery effectively including planning, specification, execution and independent post implementation review</p>	<p>The Delivery Plan and Team Planning process identifies performance measures for services. Services are subject to periodic review to ensure delivery remains efficient and effective. CLT and the Cabinet Working Party, considers and monitors key corporate projects in terms of key project aims, targets/benefits, milestones, progress, risks, financial position etc. At the end of projects there is a formal review process to consider 'lessons learnt' that can be fed back into future projects.</p>	<p>Delivery Plan, Quarterly performance reports to Cabinet Working Party and Overview & Scrutiny, Team Plans, Performance Management Framework, Project Management Framework, Project Proposal Documents, Project Initiation Documents (PIDs), Project review documents, Performance and Risk System including reporting Corporate Plan delivery progress through the public portal on the Council website.</p>
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	<p>Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook</p>	<p>Quarterly reporting of risks at a strategic level highlights core risk factors that may influence the council's ability to deliver objectives over the longer term. Significant decisions are subject to robust challenge and clear processes to ensure that all relevant factors have been considered.</p>	<p>CLT, GRAC reports/minutes, Committee report template, Budget planning process, Corporate Risk Register, Performance and Risk system.</p>
	<p>Ensuring an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible</p>	<p>The Council's Overview and Scrutiny Committee operates to scrutinise, challenge and debate policies and objectives. The Committee also has its own work programme and will often review previous initiatives to ensure that decisions have been implemented as intended and clear benefits have resulted.</p>	<p>Overview and Scrutiny Committee reports and minutes, Overview and Scrutiny Committee terms of reference, Member training.</p>
	<p>Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement</p>	<p>Quarterly reports are presented to Cabinet containing updates on finance, performance and risks for the Council's agreed plans.</p>	<p>Cabinet reports and minutes, Committee timetable.</p>
	<p>Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)</p>	<p>The quarterly budget reports evaluate budgetary positions, seeking approval to significant variances and highlighting major changes to agreed programmes. The final quarter reports then seek to align to financial reporting with the outturn position.</p>	<p>Budget reports, Outturn report, Financial Statements, Financial Standing Orders.</p>

	Aligning the risk management strategy and policies on internal control with achieving the objectives	The Risk Management Framework seeks to establish how organisational risk is managed. Risks form the basis of internal control evaluation through the annual audit programme and will be subject to ongoing evaluation through each programmed internal audit.	Risk Management Framework, Internal Audit Plan, Audit reports, External review of effectiveness, Annual Governance Statement, Internal Audit Annual Report and Opinion, Local Code of Corporate Governance.
	Evaluating and monitoring the authority's risk management and internal control on a regular basis	Corporate Risks are subject to quarterly reviews, and the Risk Management Framework is periodically reviewed to ensure it remains current. The internal audit programme is subject to an annual review and formal review, with planning over the longer term, balancing the Council's priorities and risks. The GRAC undertake regular self- assessments of their performance, regular updates on progress towards the audit plan and implementation of recommendations are provided to the Committee on a quarterly basis along with an Annual Report and Opinion. The internal audit contract is also subject to an external quality control review.	GRAC self-assessment, Risk Management Framework, Internal Audit Plan, Audit reports, External review of effectiveness, Head of Internal Audit Statement of Compliance, Annual Governance Statement, Internal Audit Annual Report and Opinion, Local Code of Corporate Governance.
	Ensuring effective counter fraud and anti-corruption arrangements are in place	The Council takes part in national initiatives to reduce the potential for fraud and to identify fraud that may have occurred. It has completed a counter fraud assessment and has identified areas at risk and considered appropriate steps and mitigation	Counter Fraud, Corruption and Bribery Strategy, National Fraud Initiatives.

	<p>Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor</p>	<p>The Council is part of the Norfolk Internal Audit Consortium. Internal Audit plans are developed and the Internal Audit Service is resourced according to these plans.</p>	<p>External review of effectiveness, Annual Governance Statement, Internal Audit Annual Report and Opinion, Head of Internal Audit Statement of Compliance, Local Code of Corporate Governance.</p>
	<p>Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment that its recommendations are listened to and acted upon</p>	<p>The Council has elected to develop the Governance, Risk and Audit Committee (GRAC) to have oversight of internal control while taking responsibility for good governance practice. The Committee has strong oversight and is empowered to hold the organisation to account.</p>	<p>GRAC terms of reference, GRAC reports and minutes, Member training, GRAC self-assessment.</p>
	<p>Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data</p>	<p>The Council has a Data Protection Policy and a Data Quality Policy and is also Public Sector Network Code of Connection Compliant (PSN), to ensure the most sensitive data it holds is held securely. The Council also has a designated Data Protection Officer and a procedure for dealing with any personal data breaches. This is further supported by the Council's IT Security Policy. The Council has a Senior Information Risk Officer (SIRO) with the Director for Communities being assigned to this role. A SIRO role description identifies key responsibilities, further supported by the Information Risk Policy and the General Data Protection Regulations (GDPR) requirements.</p>	<p>Data Protection Policy, Data Quality Policy, IT Security Policy, PSN compliance, SIRO role description Information Risk Policy, Internal audit.</p>

	Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies	Information sharing is subject to defined information sharing protocols. The legal department has specialist knowledge in information governance	Data Protection Policy, Data Quality Policy, IT Security Policy, PSN compliance.
	Reviewing and auditing regularly the quality and accuracy of data used in decision-making and performance monitoring	The Council does not have formal data validation programmes, however data validity and quality is evaluated through internal audit assessment and during the BPR service review work.	BPR protocols, Data Quality Policy, Audit reports.
	Ensuring financial management supports both long-term achievement of outcomes than short-term financial and operational performance	This is embedded into the Medium Term Financial Strategy, which has been developed alongside the Team Plans and budget planning processes. Financial reporting is strongly linked to performance and risk reporting to ensure it correlates to service delivery.	Medium Term Financial Strategy, Team Plans, Budget monitoring reports and protocol.
	Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls	Management accounts are produced on a monthly basis for service analysis, and to ensure budgets remain on track to those established within business planning. Significant variances are reported to key decision making.	Budget monitoring reports and protocol.
<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p> <p>Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.</p>	<p>Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate</p> <p>Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand</p>	<p>Report templates have been designed to help highlight key information quickly and easily. Reports undertake review processes to ensure they remain succinct and effective in imparting their messages. All reports are available for the public to review from the Council directly or on the Council's website with contact details for key officers prominently placed. The Council's Public Portal also provides a high-level review of the Council's achievements during the year in an easy to understand high level format.</p>	<p>Council website, Corporate Plan public portal accessible from the Council's website, Quarterly performance reports, Performance and Risk system, Committee template, Committee reports.</p>

	Reporting at least annually on performance, value for money and the stewardship of its resources	The Council's statement of accounts includes a "narrative" report which outlines how the Council has delivered against its objectives and financial targets during the year. The report makes extensive use of charts to aid users to quickly understanding the information. As part of the audit process the external auditor is also required to give a view on value for money. The Annual Governance Statement provides a key oversight of the Council's governance arrangements and how these can be developed.	Statement of accounts, Annual Governance Statement, Quarterly Performance Reports, Continuous performance reporting to the public through the Council's website.
	Ensuring members and senior management own the results	On a quarterly basis, Cabinet receives performance and finance reports outlining how the Council has performed against corporate objectives. Significant areas of concern are highlighted with recommendations for corrective action where appropriate. All actions and targets in the Delivery Plan and Team Plans have an identified lead officer.	Performance reports/framework, Quarterly performance Report, Budget monitoring reports, Minutes highlighting appropriate approvals, Outturn report, Performance and Risk system.
	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement)	The CIPFA Code of Corporate Governance principles have been benchmarked, and this will be subject to evaluation by both CLT and also the Governance, Risk and Audit Committee. Necessary actions will then be reviewed and incorporated into the Annual Governance Framework as required.	Annual Governance Statement, Local Code of Corporate Governance, GRAC minutes, CLT reports/ minutes.

	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate	The Council is not presently involved with any shared service arrangements. The Council is however part of Coastal Partnership East and this framework has been applied to the partnership.	Annual Governance Statement, Local Code of Corporate Governance, Coastal Partnership East Terms of Reference.
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other similar organisations	The Council's financial statements are prepared in accordance with best practice to help support comparison with similar organisations. The Council has accelerated timeframes for evaluated finance and performance outcomes, with the Outturn Report now being produced within 6 weeks of the year end to ensure decisions can be made on a timely basis with insight to the performance and so that this information can then support the production of the Statement of Accounts.	Statement of accounts, Outturn Report.
	Ensuring that recommendations for corrective action made by external audit are acted upon Ensuring an effective internal audit service with direct access to members is in place which provides assurance with regard to governance arrangements and recommendations are acted upon	Recommendations made by external and internal auditors are reported to the GRAC as part of the Statement of Accounts approval process. The Internal Audit Consortium Manager has access to report directly to the GRAC with outcomes from their work and any key concerns they may have.	Statement of accounts, External audit opinion, GRAC reports/minutes, Internal Audit Opinion.
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations	Peer challenge is undertaken periodically to evaluate how the Council is performing. Regulators will undertake periodic inspections and the outcomes of their reports escalated as appropriate.	Peer Review, Regulatory Review.

	<p>Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement</p>	<p>The Annual Governance Statement includes a section on the “Review of Effectiveness” which includes consideration of governance arrangements for service delivery through third parties.</p>	<p>Annual Governance Statement, NNDC Self-assessment Assurance Statement.</p>
	<p>Ensuring that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met</p>	<p>Partnerships are subject to relevant agreements to ensure the nature of the partnership and reporting frameworks / objectives are clear.</p>	<p>Communications Delivery Plan 2021, Partnership Framework and Principles Guidance, Terms of Reference, Service Level Agreements (SLAs).</p>

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1. RESPONSIBILITY

- 1.1. North Norfolk District Council (NNDC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently, effectively and equitably. NNDC also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this requirement, NNDC is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3. NNDC has approved and adopted a Local Code of Corporate Governance, and this has been updated for the 2022/23 financial year based on the *'Delivering Good Governance in Local Government: Framework'* (CIPFA/Solace, 2016) ('the Framework') which was introduced in 2016/17. A copy of the Council's current Local Code can be accessed on our website. This statement demonstrates how NNDC has complied with the Framework and supports the requirement of the Accounts and Audit (England) Regulations 2015 in relation to the approval (Part 2 regulation 6) and publication (Part 3 regulation 10) of an Annual Governance Statement (AGS). The statement is prepared in accordance with proper practices in relation to internal control and is reviewed annually or more frequently as required. In addition, NNDC's framework for delivering good corporate governance is embedded within its Constitution, policies and procedures.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1. The governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to appropriate, cost-effective service delivery.
- 2.2. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact should those risks be realised and to manage those risks efficiently, effectively and economically.
- 2.3. The governance framework has been in place at NNDC for the year ended 31 March 2023 and up to the date of approval of the statement of accounts.

3. THE GOVERNANCE FRAMEWORK – THE SEVEN CORE PRINCIPLES

3.1. The Council’s governance framework is derived from the following core principles as per the CIPFA/SOLACE 2016 Framework which is based upon the 7 core principles of the International Framework for Corporate Governance in the Public Sector as follows;

A - Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the law;

B - Ensuring openness and comprehensive stakeholder engagement;

C – Defining outcomes in terms of sustainable economic, social and environmental benefits;

D – Determining the interventions necessary to optimise the achievement of the intended outcomes;

E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it;

F – Managing risks and performance through robust internal control and strong public financial management and;

G – Implementing good practices in transparency, reporting and audit to deliver effective accountability.

3.2. The Local Code of Corporate Governance highlights how good governance supports the Council and demonstrates what we aim to achieve by following the seven core principles, along with the tools we use to support our compliance. It goes further to identify the behaviours and actions that can demonstrate our compliance with the code, how we put this into practice and the source documents, policies, procedures and frameworks that enable us to evidence compliance.

3.3. ***Vision and Priorities*** - Our Vision is ‘**Making North Norfolk an even better place to live, work, do business and visit**’.

Our Mission statement facilitates this through ‘**Engaging with our communities to create a fair and welcoming inclusive North Norfolk where everyone can thrive and secure quality homes, good jobs whilst protecting and conserving our environment and delivering a sustainable future**’.

To help us deliver this vision we have produced our Corporate Plan 2023-2027 that reflects the priorities and high-level outcomes for the North Norfolk area over a four-year period.

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3.4. **Quality of Services** - The Council has an established Performance Management Framework, which sets out how it monitors both performance and the delivery of objectives, with quarterly performance reviews being considered by Cabinet and the Overview and Scrutiny Committee. We publish information about our performance and carry out satisfaction surveys so that everyone can see the progress we are making. The Council's [Performance Management Framework](#) sets out how the Council will manage performance. This includes agreeing a [Delivery Plan](#) and assessing regular performance reports of the progress in delivering the plan.

3.5. **Constitution and Responsibilities** - A comprehensive document setting out the [Council's Constitution](#) exists which sets out the clearly defined structure for the Council's organisational and decision-making arrangements based upon a Cabinet/Executive model. In essence the different roles can be summarised as follows:

- Council decides upon certain policies and other specialist functions that cannot be delegated elsewhere including the setting of the council tax;
- Cabinet is allocated authority by Council to approve policies not reserved for consideration by Council, deliver policies and to take most significant executive decisions;
- Cabinet follows a [Work Programme](#) which is updated on a monthly basis and provides details of forthcoming decisions for up to three months ahead;
- All executive decisions are recorded in a [Decision List](#), with formal minutes being available for public inspection;
- The work of the Cabinet and the Council as a whole is supported by the Overview and Scrutiny Committee and its task and finish groups
- The Scrutiny Committee has developed its own work programme for the review of Council services in addition to scrutinising the work of the Cabinet. It can 'call-in' a decision which has been made by the Executive but not yet implemented;
- The Governance, Risk and Audit Committee is well established, and is responsible for the review of the work of the Internal and External Audit functions and provides independent assurance of the effectiveness of governance arrangements, risk management and financial management processes. It also has the responsibility for the approval of the Statements of Accounts.
- Separate committees exist for Planning, Standards and Licensing;
- Delegation arrangements to committees, the Executive and officers are set out in detail within the Constitution; and
- Regular meetings take place between relevant senior officers and Members of the Council to discuss and propose policy.

The Constitution also includes sections on Standing Orders, financial regulations and conduct of meetings. The Constitution as a whole is reviewed periodically with interim updates made as and when appropriate. There is presently a significant review of the Constitution, involving external providers with expertise in this area.

3.6. **Codes of Conduct** - The Council has various Codes of Conduct applying to both Members and officers as well as a protocol for councillor/officer relationships that can be found [here](#). These have enabled the authority to develop an inclusive culture over the years, whereby Members and

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officers work together to deliver the Council's vision and quality services to its residents. The Codes include reference to the need to declare any interests that may conflict with the individual's role at the Council and such registers for Councillors and officers are maintained by the Council.

- 3.7. **Complaints** - The Council has in place a [Whistle-blowing Policy](#) (which was revised during the year) as well as a [compliments and complaints procedure](#), that ensures that any referrals are fully investigated, properly resolved and learning applied to service delivery. Systems and procedures have been enhanced to ensure that complaints/service requests are the cornerstone of the Council's management approach.
- 3.8. **Policies, Procedures, Laws and Regulations** - The Council's statutory officers are the Chief Executive (Head of Paid Service), the Monitoring Officer (Assistant Director Finance Assets Legal) and the Section 151 Officer (Director for Resources). They are responsible for ensuring the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources. There is also a requirement to ensure the authority's financial management arrangements conform to the governance requirements as set out in the Chartered Institute of Public Finance and Accountancy statement on the Role of the Chief Financial Officer (2010). Service Managers are responsible for ensuring legislation and policy relating to service delivery and health and safety are implemented in practice.
- 3.9. **Development and training needs** – North Norfolk is a learning organisation, both in terms of Members and officers. The training budget for staff is centralised under Human Resources, and continues to deliver a programme to develop the skills of its workforce. North Norfolk is committed to investing in the staff and maintains the Investors in People standard. This recognises the investment in staff development and ensures that staff are valued and given the opportunities to develop and achieve their full potential. Training and Development is at the core of the 'Check In' appraisal system and this work is informed and underpinned by the Council's revised appraisal system. North Norfolk continues to deliver a training and development programme to provide Members with the support and skills necessary to assist them in carrying out their duties.
- 3.10. **Risk Management** – The Council's [Risk Management Framework](#) shows how the Council manages risk in an active way in terms of service delivery. The Council uses the risk module within the performance system (InPhase), reporting the Corporate Risk Register to every GRAC meeting. The Register is also reviewed by the Corporate Leadership Team and Management Team ahead of each of these Committee updates and the InPhase system allows dynamic reporting where any manager updates are updated and reflected immediately within the live system. Lower level operational risks are also monitored through the InPhase system and the Council's project management framework, as managed by the CDU, also has reporting requirements in relation to risk and risk logs. Business Continuity Plans (BCPs) are regularly reviewed and updated to address key operational risks. All committee reports contain a mandatory risk section to ensure that Members can consider the risks and opportunities of any recommendations or options, so that the consideration of risk forms an integral part of all decision making. Training has been provided to Members on risk and risk appetite which is included as part of the Policy.
- 3.11. **Communication** – The Council believes public understanding of its work, achievements and services, coupled with consultation with resident is key to maintaining high satisfaction levels. This is achieved through continuous communications and consultation activity and upholding the

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Council's values of transparency and openness. North Norfolk regularly publishes information on its website and via a variety of social media channels. The Communications Team also continuously works with the local media to provide information to ensure residents are kept informed. Funding has also been included within the 2022/23 budget to support the production of a twice yearly residents' newsletter, which will help improve communications with residents.

- 3.12. **Partnerships** – The Council is involved with a variety of partnerships that have developed over the years, supported by a Partnership Governance Framework and Partnership Register, which help to ensure that we maintain a consistent approach when entering into any new partnerships.
- 3.13. **Transparency** – As a Council we want to be publicly accountable and present our work with openness and transparency, we present a range of information on our ['Transparency Data'](#) pages on the website, ranging from contract and purchasing information to car park data.
- 3.14. If there are any areas outlined above which require strengthening, these are highlighted within the Annual Governance Statement as part of the Action Plan within Section 5.

4. REVIEW OF EFFECTIVENESS

- 4.1. NNDC annually reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors and from comments made by the external auditors and other inspection agencies.
- 4.2. Reviews have taken place both during the year and at year end, and cover the following:
 - 4.2.1. The Cabinet is responsible for considering overall financial and performance management and receives comprehensive reports on a quarterly basis. It is also responsible for key decisions and for initiating corrective action where appropriate while the Governance, Risk and Audit Committee (GRAC) consider corporate risk and internal control issues.
 - 4.2.2. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. In addition, the Constitution Working Party is in place to review the constitution and make recommendations to Full Council as appropriate. A significant review of the Constitution is currently being undertaken.
 - 4.2.3. The Council has an Overview and Scrutiny Committee that can establish 'task and finish' groups, to look at particular issues in depth, taking evidence from internal and external sources, before making recommendations to the Cabinet. Scrutiny can "call-in" decisions of the Cabinet, which are yet to be implemented, to enable it to consider whether the decision is appropriate. In addition, the Overview and

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Scrutiny Committee can exercise its scrutiny role in respect of any Cabinet function, regardless of service area or functional responsibility, and will conduct regular performance monitoring of all services, with particular attention to areas identified as under-performing.

- 4.2.4. The Local Government and Public Involvement in Health Act 2007 include powers to enable Councillors to champion local issues where problems have arisen in their ward. North Norfolk has embedded the “Councillor Call for Action” which allows Councillors to ask for discussion at Overview and Scrutiny Committee on issues where other methods of resolution by the District Member have been exhausted.
- 4.2.5. The development of the procurement function across the public sector has led to the establishment of a number of framework agreements for purchasing where the detailed work on price and quantity with suppliers has already been carried out. Contracts for supply are only established when goods, works or services are called off under the agreement.
- 4.2.6. The updated Procurement Strategy 2021 - 2025 was approved by Cabinet at the September 2021 meeting. Following a number of previous audit recommendations regarding procurement Full Council also approved a number of updates and improvements to the Constitution following at their meeting on 21 July 2021.
- 4.2.7. The Standards and Conduct provisions of the Localism Act 2011 came into force on 1st July 2012. The authority has appointed two Independent Persons pursuant to the Act and has decided to have a Standards Committee (which is now not mandatory).
- 4.2.8. The Model Code of Conduct for Members has been adopted by the Council.
- 4.2.9. The Council also has in place the '[Counter Fraud, Corruption and Bribery Policy](#)', which provides a key source of assurance and was updated in April 2022. The recent review of our counter fraud provision referred to the Fighting Fraud Locally Checklist to measure its adequacy, and an Action Plan has been put in place to protect the Council from fraudulent activity. This has included mandatory training for all staff to undertake. This was delivered in 2023/24 over the summer.
- 4.2.10. The GRAC met four times during the year to provide independent assurance to the Council in relation to the effectiveness of the risk management framework and internal control environment. The Committee received regular reports on, internal control and governance matters in accordance with its agreed work programme.
- 4.2.11. The Accounts and Audit Regulations 2015 require that “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”. The conclusions of the internal audit enable an opinion on the overall adequacy and effectiveness of the Council’s framework of governance, risk management and control to be provided. In addition, Internal Audit can undertake fraud investigation and proactive

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fraud detection work which includes reviewing the control environment in areas where fraud or irregularity has occurred. All significant weaknesses in the control environment identified by Internal Audit are reported to senior management and the GRAC.

- 4.2.12. The Annual Internal Audit Plan for 2022/23 was considered and approved by the GRAC at its meeting on 8 March 2022 ahead of the forthcoming financial year. It included a total of 174 days, encompassing 16 internal audit reviews including 2 which would cover a review of IT processes. The range of reviews planned would provide adequate coverage over the Governance, Risk Management and Control framework informing the annual audit opinion.
- 4.2.13. During the 2022/23 financial year it was agreed that 3 of the planned audits would be deferred to 2023/24 to accommodate management requests and respond to resourcing changes and challenges.. These were Risk Management; Accounts Payable; and Finance System Implementation. In total, 14 audits (14 in 2021/22) have been carried out throughout 2022/23. This consisted of 11 assurance audits, two position statements and one piece of advisory work on the Councils project management framework. These were completed and delivered over 158 days (150 days in 2021/22) of the original 174 agreed, and a reasonable audit opinion was given for the year overall. Of the 14 completed 9 resulted in a positive grading, two audits received a limited assurance opinion i.e. the Pier audit and the Key Financial Controls.
- 4.2.14. For the two audits with limited assurance the Head of Internal Audit raised the following recommendations which were still outstanding at the year end. These recommendations represent unresolved risks and have therefore been included within the Council's Annual Governance Statement.

Pier Pavilion

The Pier Pavilion audit resulted in a limited assurance grading overall with four urgent, three important and one needs attention recommendations raised. One urgent recommendation remains outstanding and relates to ensuring that the Deed of Variation is signed between the Council and the Pier Pavilion Management Service Contractor.

Key Controls and Assurance

This audit resulted in a limited assurance opinion overall. Urgent priority recommendations relate to Creditor control, debtor control, bank and Council Tax general ledger reconciliations not having been completed in the new financial system. Internal Audit also identified that five short-term financial investments that had not been independently authorised. Important recommendations relate to clarifications within the annual governance statement, the monitoring of aged debt action, purchase orders being raised and authorised by the same officer, no evidence of supplier bank detail change verification and inability to reconcile car parking income. The new finance system implementation and finance staff resource challenges have been identified as a root cause of the weaknesses identified.

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One urgent priority recommendation also remains outstanding from 2021/22, which needs to be reported here and that is for Counter Fraud and Corruption an annual action plan to carry out all required counter fraud work needs to be put in place and agreed by GRAC. This was presented to GRAC at its meeting in June in line with the agreed scheduled completion date.

- 4.2.15. The External Auditor's Annual Audit Letter for 2020/21 has been received (on Monday 4 September 2023) and now requires a management response in respect of the recommendations made. It is being presented to GRAC at its meeting on Tuesday 12 September 2023. as the audit of accounts has not yet been finalised.
- 4.2.16. The Council's Corporate Delivery Unit (CDU) has continued its good work and has taken on board the two recommendations that came out of the assurance review of the Project Management Framework was completed by Internal Audit in January 2022 to review the progress of the relatively newly formed CDU. The review provided a 'reasonable' assurance level with only the two recommendations, firstly to undertake a post-implementation review of the Project Management Guide and secondly for senior management to reinforce utilisation of the process by ensuring that projects considered by the Corporate Leadership Team (CLT) are compliant with the process to date. The project management framework has been reviewed during 2022/23 and streamlined and simplified so that it is less onerous for officer to complete. The profile of the project management process continues to be promoted across the organisation but there are still some areas that need to adopt it fully.
- 4.2.17. As part of the continuous process of improving the transparency, decision-making and governance, a Cabinet Working Panel for Projects meets every other month to consider all corporate projects designated as 'large'. All projects designated as 'medium' are discussed monthly at departmental management team meetings with relevant officers with any issues raised and escalated as required.
- 4.2.18. Internal Audit also carry out regular reviews of the status of implementation of Internal Audit recommendations. There are 10 historical recommendations overstanding at the year-end (26 in 2021/22).
- 4.2.19. It should also be noted that the internal audit contract consortium exceeded all of its key performance indicators for the year.
- 4.2.20. The GRAC and CLT monitor and also continually review corporate risks and ensure that actions are being taken to effectively manage the Council's highest risks.
- 4.2.21. The Council continues to review its treasury management arrangements in line with best practice and in response to regular updates and advice from the Council's Treasury Management Advisors. During 2022/23 the existing contract with the Treasury Management Advisors came to an end, and through a tendering process the new contract was awarded to the Link Group (previously Arlingclose). It should be noted that there are only the two suppliers in the market that offer this service and both provide an excellent service. The Treasury

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Management Advisors provide training to both officers and Members on treasury management related issues during the year so that they have the knowledge to review reports and make informed decisions.

4.2.22. Key officers complete an annual Self-Assessment Assurance Statement which identifies if there has been any non-compliance in several areas including procedures, risk and control, financial management and procurement. Any significant areas of non-compliance will either be taken account of in Service Plans, or if corporate related, included in the AGS action plan.

4.3. The year-end review of the governance and the control environment arrangements by CLT included:

4.3.1. Obtaining assurances from the Chief Executive and Assistant Directors that key elements of the control framework were in place during the year in their departments.

4.3.2. The statement itself was considered and signed off by CLT and is supported by them as an accurate reflection of the governance arrangements in place for the year.

4.3.3. Obtaining assurances from other senior management, including the Monitoring Officer, that internal control and corporate governance arrangements were operating effectively within their areas of responsibility throughout the year.

4.3.4. Reviewing any high-level audit recommendations that remained outstanding at the year end and taking appropriate action if necessary.

4.3.5. Reviewing external inspection reports received by the Council during the year, reviewing the opinion of the Head of Internal Audit in her annual report to management and reviewing an evaluation of management information in key areas to identify any indications that the control environment may not be sound.

4.3.6. Reviewing the updated Local Code of Corporate Governance.

4.4. The GRAC received assurances from the Head of Internal Audit that standards of internal control, corporate governance arrangements and systems of risk management were all operating to an adequate standard, with a reasonable assurance being concluded.

4.5. The GRAC review the effectiveness of the governance framework as part of an annual review of the Local Code of Corporate Governance, and an improvement plan to address weaknesses and ensure continuous improvement of the system is in place.

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4.6. In terms of gaining assurance on risks associated with delivering services through third parties, there is one formal partnership that needs to be scrutinised. This is known as Coastal Partnership East between NNDC, Great Yarmouth Borough Council and East Suffolk which has now been in place for five years. This partnership approach is considered the best way for these Councils to address the challenges that are common to the whole coastline of Norfolk and Suffolk and is seen to be an appropriate way of capitalising on our strengths and building resilience for the future. By collaborating, rather than competing with one another for resources, the Council is far better able to:

- Retain and recruit staff;
- Broaden the scope of works that can be undertaken;
- Share experiences, lessons and new techniques;
- Prepare joint schemes and projects (achieving economies of scale) and;
- Explore new and innovative approaches to adaptation as well as coast protection.

4.7. The Coastal Partnership East was formed by bringing together the coastal management resources and expertise from North Norfolk District Council, Great Yarmouth Borough Council and East Councils. The Partnership works along the 220km of coastline across Norfolk and Suffolk.

4.8. A Section 113 Agreement made by the three authorities means that staff remain employed through their respective authorities and the management of each frontage remains with each Council, however, the shared resources of the Partnership are able to flex across local authority boundaries to enable all to benefit from a more resilient resource and skills base. The partnership is overseen by a Board comprising of relevant Member Portfolio holders/Committee Chairs that are supported by an Operational (senior) Officer Group, both of which meet on a quarterly basis.

4.9. The manager for Coastal Partnership East is included as part of the Council's annual Self Assurance process.

5. GOVERNANCE ISSUES

5.1. **Managers' Self-Assessment Assurance Statements** – these are produced on an annual basis by the Chief Executive, Directors and Assistant Directors (ADs) across the Council relating to their particular service areas. There are also further specific requirements for the Monitoring Officer and Section 151 Officer. The Statements cover key areas of responsibility as follows;

- Procedures
- Effectiveness of key controls
- Alignment of Services with Corporate Objectives, Service Planning, Performance Management and Customer Satisfaction
- Human Resources
- Finance

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- Risks and Control
- Health and Safety
- Procurement
- Insurance
- Information Technology
- Data Protection
- Freedom of Information
- Business Continuity
- Partnerships
- Equalities
- Driver safety

5.2. Following a review of the Statements supplied, the AGS is drafted in consultation with Management Team (MT) before being considered by the CLT. Once approved by CLT the statement is signed off by the Chief Executive and the Leader of the Council before being approved by GRAC.

5.3. **Self-Assessment Assurance Statements for 2022/23** - A yes/partial/no response is required, with evidence and action required recorded where appropriate. Each AD is also required to note any issues they feel represent a significant control risk or governance issue. For the two years, 2020/21 and 2021/22 the statements have included a section specifically in relation to the impact of COVID on processes and controls, and how these are now managed in the new environment. This has been left in for 2022/23 but the impact has largely disappeared. There are some comments e.g. the Revenues team have had final returns to complete and that the working from home arrangements adopted quickly for Covid have remained as it works well and is the accepted new way of working.

5.4. Following the review of the Statements and the draft Annual Governance Statement for 2022/23, there were no strongly emerging areas of concern. The responses have highlighted that there are no significant governance issues and governance arrangements are mainly consistent across the Council. For the few responses where managers felt they could only partially agree with the statement, managers have already identified actions that are being progressed to address these areas and the Head of Internal Audit will review progress during 2022/23, with updates sought from ADs through the Council's performance management system InPhase.

5.5. There have not been any alleged or proven frauds for note during the 2022/23 financial year.

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6. CERTIFICATION

- 6.1. To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year with the exception of those areas identified above. We propose over the coming year to take steps to address the above matters to enhance our governance arrangement. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our next annual review.

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Leader of the Council

Cllr Tim Adams

Date

Chief Executive

Mr Steve Blatch

Date

AUDIT COMMITTEES AND CO-OPTED INDEPENDENT MEMBERS	
Executive Summary	A Position Statement has been issued by the Chartered Institute of Public Finance and Accountancy [“CIPFA”]. It contains a number of recommendations including that local authorities include at least two co-opted independent Members on their audit committees. This is not presently a statutory requirement, but is anticipated that it will be in the future. This report considers the guidance and whether the Council wishes to commence a recruitment process in this regard. The Position Statement further recommends that there should be annual public reporting of compliance with the CIPFA Position Statement at Appendix A .
Options considered	<ul style="list-style-type: none"> • Appoint 2 independent Members to the Governance Risk and Audit Committee [“GRAC”] for a 3 year period • Appoint 1 independent Member to GRAC for a 3 year period • Continue with the status quo: not appointing any independent Member at this time
Consultation(s)	Chief Finance Officer; CLT, internal audit
Recommendations	<ol style="list-style-type: none"> 1. To recommend to Full Council that 2 co-opted independent Members be appointed to the Governance Risk and Audit Committee [“GRAC”], for a 3 year period. Delegated authority be given to the Monitoring Officer, in consultation with the Chairman of GRAC, to undertake recruitment arrangements. 2. That GRAC reports annually on how the Committee has complied with the CIPFA Position Statement [2022], to include <ul style="list-style-type: none"> • how it has discharged its responsibilities, • an assessment of its performance and that such report be made available to the public.
Reasons for recommendations	<p>To comply with the recent CIPFA Position Statement that:</p> <ol style="list-style-type: none"> 1. <i>“where there is no legislative direction to include co-opted independent members [to a Council’s Audit Committee], CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.”</i> 2. Further, the Position Statement outlines that, to discharge its responsibilities effectively, the Committee should provide an annual report as to compliance with the CIPFA Position Statement [2022], attached at Appendix A.

Background papers	https://www.cipfa.org/-/media/Files/Services/Support-for-audit-committees/CIPFA-Audit-Committee-Position-Statement-2022.pdf This CIPFA guidance note is produced at Appendix A
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Wards affected	All wards
Cabinet member(s)	Cllr Adams & Cllr Shires
Contact Officer	Cara Jordan Cara.jordan@north-norfolk.gov.uk Tel: 01263 516373

Links to key documents:	
Corporate Plan:	A Strong, Responsible and Accountable Council Effective and efficient delivery <ul style="list-style-type: none"> • Managing our finances and contracts robustly to ensure best value for money • Ensuring that strong governance is at the heart of all we do
Medium Term Financial Strategy (MTFS)	N/A
Council Policies & Strategies	(CIPFA guidance detailed above)

Corporate Governance:	
Is this a key decision	No
Has the public interest test been applied	Public report
Details of any previous decision(s) on this matter	None

1. Purpose of the report

- 1.1 To report and consider the revised Chartered Institute of Public Finance and Accountancy ["CIPFA"] guidance **[Appendix A]** that 2 co-opted Members should be included on the Audit Committee of a Local Authority.

2. Introduction & Background

- 2.1 North Norfolk District Council's Audit Committee is called the Governance Risk and Audit Committee ["GRAC"]. It meets quarterly and its terms of reference are set out in the Council's Constitution. GRAC is a key component of

governance, providing an independent and high-level focus on the adequacy of governance, risk and control arrangements.

- 2.2 GRAC comprises a membership of 6 Members, appointed in accordance with political proportionality. There are presently no co-opted independent Members.
- 2.3 In 2019 The Redmond Review recommended that local authorities appoint at least one independent Member to audit committees to ensure that such committees have the necessary expertise to carry out their role effectively. This recommendation has subsequently been considered by CIPFA, which, in May 2022, set out its view in a Position Statement, that each authority audit committee should include at least two co-opted independent Members to provide appropriate technical expertise.
- 2.4 Neither the recommendation of the Redmond Review, nor the Position Statement of CIPFA compel the Council to act. There is no statutory requirement to act on the recommendation. However, the Position Statement represents CIPFA's view on appropriate practice and principles that local government bodies in the UK should adopt and was prepared in consultation with sector representatives. Whilst not a legal requirement, the statement may be considered as best practice, and is supported by the Department for Levelling Up, Housing and Communities. Some other Local Authorities have made/or are making arrangements to appoint one or more independent Members to their Audit Committees.
- 2.5 The Position Statement also sets out CIPFA's view that Audit Committees should report annually and publically on its compliance with this Statement.

3. Proposals and Options

- 3.1 CIPFA expects all local government bodies to engage best efforts to adopt the principles set out in its Position Statement. It details that doing so will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.
- 3.2 To comply with this expectation, the Council would need to commence a recruitment process to appoint suitable persons to undertake this role. Whilst there are no set criteria for such an appointment, such a person would most likely need to have a knowledge/understanding of financial management, internal auditing and risk management to meet the purpose of the role, and ideally have an accountancy qualification.
- 3.3 As with the Independent Person to the Standards Committee, such an appointment needs to demonstrate independence and so could not be a Member or officer of the Council. Further, a specified tenure of a maximum of 3-4 years should be implemented for this reason.
- 3.4 Remuneration, possibly in line with Members of the Committee, would need to be set, and reasonable expenses paid for this role.
- 3.5 If looking to appoint one or more independent Members a suitable recruitment process would need to be undertaken. In 2022 there was a recruitment process

for Independent Persons for the Standards Committee. A similar process could take place with an interview Panel comprising of a suitable officer and a cross party Panel of three Members.

- 3.6 Some Local Authorities are just recruiting one independent Member at this time. This is an option as it is not currently a statutory requirement to make any such appointment. Similarly, it is also possible to choose not to recruit any independent Members at this time as there is no legal obligation to do so. Any independent Member appointed would not hold voting rights on the Committee.

4. Corporate Priorities

4.1 A Strong, Responsible and Accountable Council

- Effective and efficient delivery
- Managing our finances and contracts robustly to ensure best value for money
- Ensuring that strong governance is at the heart of all we do

5. Financial and Resource Implications

Comments from the S151 Officer:

The S151 Officer (or member of the Finance team on their behalf) will complete this section.

6. Legal Implications

Comments from the Monitoring Officer

The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section.

There is no legal requirement, at this time, to have one or more independent Members of GRAC.

However, CIPFA has provided a Position Statement which sets out its expectation that Councils comply with the principles of its guidance contained therein as it will enable compliance with statutory responsibilities for governance, internal control arrangements, financial reporting and internal audit.

Remuneration and reasonable expenses would be payable for 4 meetings per annum and any identified additional work involved.

It may be possible, depending upon the position of neighbouring authorities wishing to appoint, to investigate a pooling arrangement or staggered appointments, but not to the extent that this would delay cause delay.

7. Risks

There is a risk in not appointing any independent Member – CIPFA considers that appointing independent Members would enable the Council to meet its governance responsibilities and so failure to appoint may leave the Council at risk of failing to meet and deliver these responsibilities

8. Net Zero Target

There is no particular Net Zero implication at this time.

9. Equality, Diversity & Inclusion

Any recruitment process would be in line with our responsibilities under the Equality Act.

10. Community Safety issues

None identified

11. Conclusion and Recommendations

11.1 CIPFA's Position Statement

Whilst not a legal obligation, CIPFA's Position Statement expects Councils to have an Audit Committee with at least two independent Members to enable it to meet its responsibilities for governance and financial control. The Redmond Review, which preceded the Position Statement, recommended the appointment of at least one independent Member to ensure that Audit Committees had the necessary expertise to carry out their role effectively. Such appointments should, therefore, bring in the necessary skills and knowledge to complement those of the Committee.

11.2 Annual Reporting

The CIPFA Position Statement also expects that Councils report annually on their compliance with the Statement and that this should be a public report.

11.3 Recommendations

- 1. To recommend to Full Council that 2 co-opted independent Members be appointed to the Governance Risk and Finance Committee ["GRAC"], for a 3 year period. Delegated authority be given to the Monitoring Officer, in consultation with the Chairman of GRAC, to undertake recruitment arrangements.**
- 2. That GRAC reports annually on how it has complied with the CIPFA Position Statement [2022], to include**
 - how it has discharged its responsibilities,**
 - an assessment of its performance****and that such report be made available to the public.**

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CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022

Scope

This position statement includes all principal local authorities in the UK, corporate joint committees in Wales, the audit committees for PCCs and chief constables in England and Wales, PCCFRAs and the audit committees of fire and rescue authorities in England and Wales.

The statement sets out the purpose, model, core functions and membership of the audit committee. Where specific legislation exists (the Local Government & Elections (Wales) Act 2021 and the Cities and Local Government Devolution Act 2016), it should supplement the requirements of that legislation.

Status of the position statement

The statement represents CIPFA's view on the audit committee practice and principles that local government bodies in the UK should adopt. It has been prepared in consultation with sector representatives.

CIPFA expects that all local government bodies should make their best efforts to adopt the principles, aiming for effective audit committee arrangements. This will enable those bodies to meet their statutory responsibilities for governance and internal control arrangements, financial management, financial reporting and internal audit.

The 2022 edition of the position statement replaces the 2018 edition.

The Department for Levelling Up, Housing and Communities and the Home Office support this guidance.

CIPFA's Position Statement 2022: Audit committees in local authorities and police

Purpose of the audit committee

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

In a local authority the full council is the body charged with governance. The audit committee may be delegated some governance responsibilities but will be accountable to full council. In policing, the police and crime commissioner (PCC) and chief constable are both corporations sole, and thus are the individuals charged with governance.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

Independent and effective model

The audit committee should be established so that it is independent of executive decision making and able to provide objective oversight. It is an advisory committee that has sufficient importance in the authority so that its recommendations and opinions carry weight and have influence with the leadership team and those charged with governance.

The committee should:

- be directly accountable to the authority's governing body or the PCC and chief constable
- in local authorities, be independent of both the executive and the scrutiny functions
- in police bodies, be independent of the executive or operational responsibilities of the PCC or chief constable
- have rights of access to and constructive engagement with other committees/functions, for example scrutiny and service committees, corporate risk management boards and other strategic groups
- have rights to request reports and seek assurances from relevant officers
- be of an appropriate size to operate as a cadre of experienced, trained committee members. Large committees should be avoided.

The audit committees of the PCC and chief constable should follow the requirements set out in the Home Office Financial Management Code of Practice and be made up of co-opted independent members.

The audit committees of local authorities should include co-opted independent members in accordance with the appropriate legislation.

Where there is no legislative direction to include co-opted independent members, CIPFA recommends that each authority audit committee should include at least two co-opted independent members to provide appropriate technical expertise.

Core functions

The core functions of the audit committee are to provide oversight of a range of core governance and accountability arrangements, responses to the recommendations of assurance providers and helping to ensure robust arrangements are maintained.

The specific responsibilities include:

Maintenance of governance, risk and control arrangements

- Support a comprehensive understanding of governance across the organisation and among all those charged with governance, fulfilling the principles of good governance.
- Consider the effectiveness of the authority's risk management arrangements. It should understand the risk profile of the organisation and seek assurances that active arrangements are in place on risk-related issues, for both the body and its collaborative arrangements.
- Monitor the effectiveness of the system of internal control, including arrangements for financial management, ensuring value for money, supporting standards and ethics and managing the authority's exposure to the risks of fraud and corruption.

Financial and governance reporting

- Be satisfied that the authority's accountability statements, including the annual governance statement, properly reflect the risk environment, and any actions required to improve it, and demonstrate how governance supports the achievement of the authority's objectives.
- Support the maintenance of effective arrangements for financial reporting and review the statutory statements of account and any reports that accompany them.

Establishing appropriate and effective arrangements for audit and assurance

- Consider the arrangements in place to secure adequate assurance across the body's full range of operations and collaborations with other entities.
- In relation to the authority's internal audit functions:
 - oversee its independence, objectivity, performance and conformance to professional standards
 - support effective arrangements for internal audit
 - promote the effective use of internal audit within the assurance framework.

- Consider the opinion, reports and recommendations of external audit and inspection agencies and their implications for governance, risk management or control, and monitor management action in response to the issues raised by external audit.
- Contribute to the operation of efficient and effective external audit arrangements, supporting the independence of auditors and promoting audit quality.
- Support effective relationships between all providers of assurance, audits and inspections, and the organisation, encouraging openness to challenge, review and accountability.

Audit committee membership

To provide the level of expertise and understanding required of the committee, and to have an appropriate level of influence within the authority, the members of the committee will need to be of high calibre. When selecting elected representatives to be on the committee or when co-opting independent members, aptitude should be considered alongside relevant knowledge, skills and experience.

Characteristics of audit committee membership:

- A membership that is trained to fulfil their role so that members are objective, have an inquiring and independent approach, and are knowledgeable.
- A membership that promotes good governance principles, identifying ways that better governance arrangement can help achieve the organisation's objectives.
- A strong, independently minded chair, displaying a depth of knowledge, skills, and interest. There are many personal skills needed to be an effective chair, but key to these are:
 - promoting apolitical open discussion
 - managing meetings to cover all business and encouraging a candid approach from all participants
 - maintaining the focus of the committee on matters of greatest priority.
- Willingness to operate in an apolitical manner.
- Unbiased attitudes – treating auditors, the executive and management fairly.
- The ability to challenge the executive and senior managers when required.
- Knowledge, expertise and interest in the work of the committee.

While expertise in the areas within the remit of the committee is very helpful, the attitude of committee members and willingness to have appropriate training are of equal importance.

The appointment of co-opted independent members on the committee should consider the overall knowledge and expertise of the existing members.

Engagement and outputs

The audit committee should be established and supported to enable it to address the full range of responsibilities within its terms of reference and to generate planned outputs.

To discharge its responsibilities effectively, the committee should:

- meet regularly, at least four times a year, and have a clear policy on those items to be considered in private and those to be considered in public
- be able to meet privately and separately with the external auditor and with the head of internal audit
- include, as regular attendees, the chief finance officer(s), the chief executive, the head of internal audit and the appointed external auditor; other attendees may include the monitoring officer and the head of resources (where such a post exists). These officers should also be able to access the committee members, or the chair, as required
- have the right to call on any other officers or agencies of the authority as required; police audit committees should recognise the independence of the chief constable in relation to operational policing matters
- support transparency, reporting regularly on its work to those charged with governance
- report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.

Impact

As a non-executive body, the influence of the audit committee depends not only on the effective performance of its role, but also on its engagement with the leadership team and those charged with governance.

The committee should evaluate its impact and identify areas for improvement.

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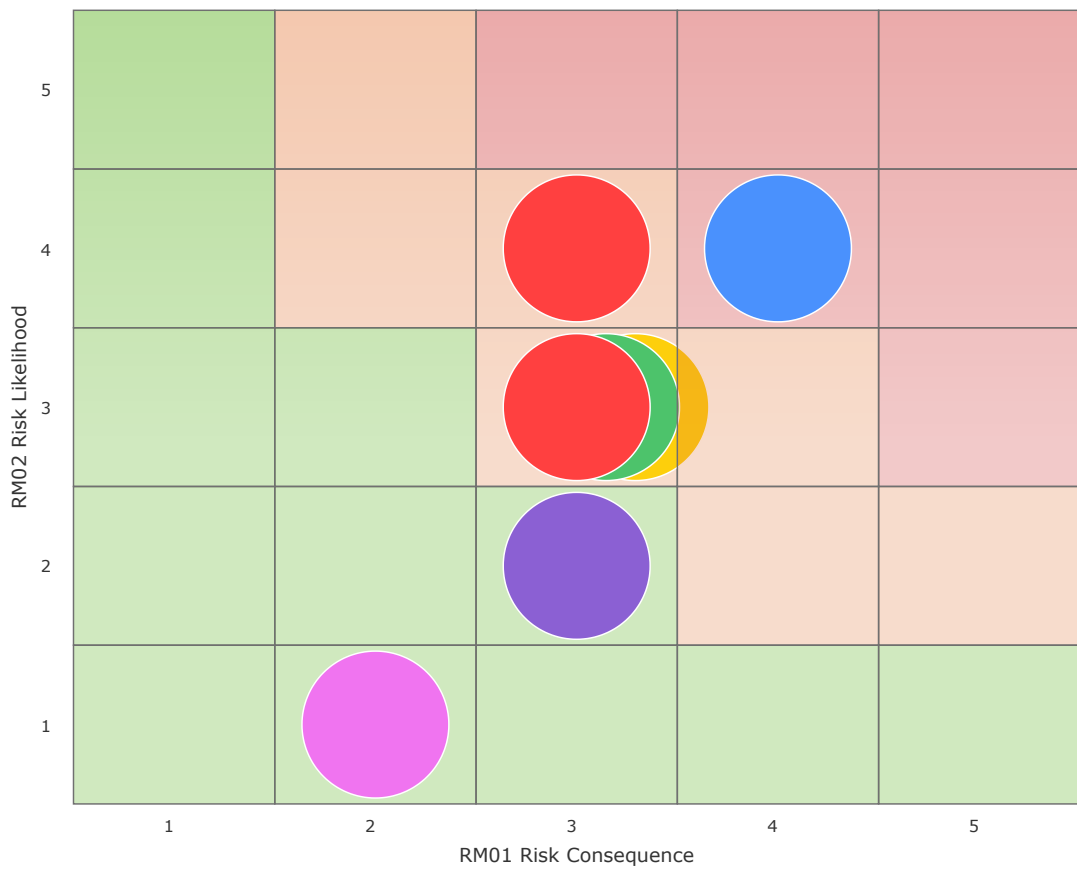
Corporate Risk Register

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Strategic Risk Matrix



- SR 001 Financial (including credit & counterparty)
- SR 002 Operational
- SR 003 Macroeconomic
- SR 004 Strategic
- SR 005 Environment & Social
- SR 006 Governance
- SR 007 Reputation
- SR 008 Corporate project related risks



Overview

Since last reporting Cabinet has been presented with the first budget monitoring report for 2023/24 and it indicates that the year end outturn position is likely to be on or around budget (Period 4 is predicting a year end position of a £25k overspend). The financial sustainability of the Council is a major risk but this currently appears to be stable. One of the most considerable risks is due to the uncertainty around future funding. Another major area of concern is with the demand led budget for Temporary Accommodation, which as a service area is at highest risk of overspending, but this is being closely monitored by officers. This has also been raised as an issue at a national level by several Councils.



Risk scoring key

Corporate Risks

Each corporate risk (a similar matrix is used for service risks) will be assessed against the following criteria:

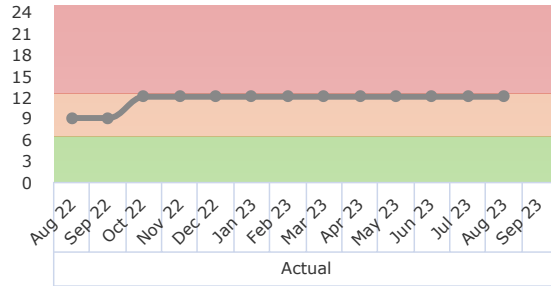
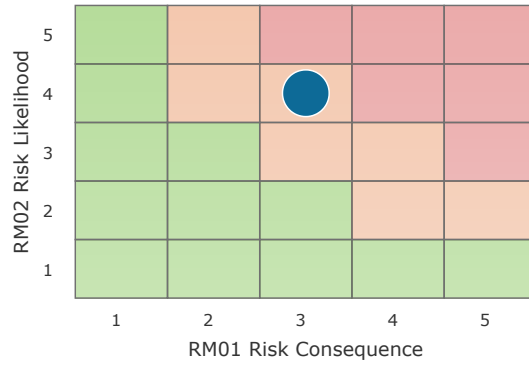
Impact Type	Catastrophic 5	Critical 4	Moderate 3	Marginal 2	Negligible 1
Objectives	The key objectives in the Corporate Plan will not be achieved.	One or more Key Objectives in the Corporate Plan will not be achieved.	Significant impact on the success of the Corporate Plan.	Some impact on more than one Service.	Insignificant impact on more than one Service.
Financial Impact (Loss)	Over £1.5m	£500K - £1.5m	£300K - £500K	£20K - £300K	£0-20K

Likelihood ratings and dimensions are tabled below:

Grade	Likelihood	Probability	Timing
5	Very High	Over 90%	Within six months
4	High	60 - 90%	Within a year
3	Moderate	40 - 60%	Within 1 to 2 years
2	Low	10 - 40%	Probably within 15 years
1	Very Low	below 10%	Probably over 15 years

SR 001 Financial (including credit & counterparty)

Responsibility	Resources
Risk Description	<p>FINANCIAL: related to the financial position and investment of the Council's assets and cash flow, market volatility, currency etc.</p> <p>Credit and Counterparty: related to investments, loans to institutions and individuals and counterparties in business transactions.</p> <p>Risk - that the Council's expenditure in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.</p> <p>Effect - the Chief Finance Officer has to issue a Section 114 report to Full Council to report an unbalanced budget.</p>
Risk Category	<ul style="list-style-type: none"> ■ A Financial ■ C Credit and counterparty
Risk Response	Treat



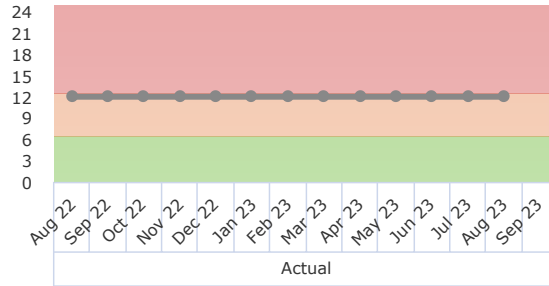
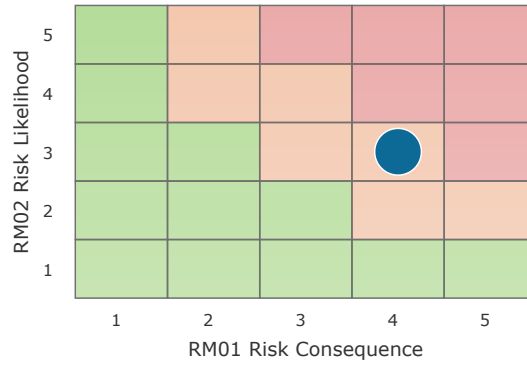
Latest Update

31/08/2023		
SR 001 Financial (including credit & counterparty) : Status	Score	12.00
	Target	4.00
	Performance	●
	Direction of change	➡
	Comments	

31/08/2023		
SR 001 Financial (including credit & counterparty) : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
SR 001 Financial (including credit & counterparty) : RM02 Risk Likelihood	Score	4
	Target	2
	Direction of change	➡

CR 015 Medium Term Financial Plan

Responsibility	Finance
Risk Description	Forecast funding reductions and shift to local financing from business rates, council tax and new homes bonus - reduced funding to fund current service levels and produce a balanced budget. Use of reserves is not sustainable strategy to bridge income/expenditure funding gaps in the medium to long term.
Risk Category	<ul style="list-style-type: none"> ■ A Financial ■ C Credit and counterparty
Risk Response	Treat



Latest Update

31/08/2023		
CR 015 Medium Term Financial Plan : Status	Score	12.00
	Target	4.00
	Performance	●
	Direction of change	➡
	Comments	There remains a great deal of uncertainty in terms of predicting local government funding over the medium term. Work will begin in September to produce the Medium Term Financial Plan (MTFP) with the intention being to report to Cabinet with a first draft of the MTFP at the 5 December 2023 meeting. This will give the Council more time to consider any action that needs to be taken if forecasting of a budget gap or an unbalanced budget.

31/08/2023		
CR 015 Medium Term Financial Plan : RM01 Risk Consequence	Score	4
	Target	2
	Direction of change	➡
CR 015 Medium Term Financial Plan : RM02 Risk Likelihood	Score	3
	Target	2
	Direction of change	➡



Control, Contingency & Mitigating Actions

Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Annual review of the Council's reserves	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Balanced budget agreed	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Budget Process / Budget Monitoring	Jeny Carroll	Performance	✔
<input checked="" type="checkbox"/> Business cases for commercialisation of assets to deliver future income and efficiencies	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Corporate Planning / Service Planning	Helen Thomas	Performance	✔
<input checked="" type="checkbox"/> Growth forecasting models	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Lobbying Central Government	Steve Blatch	Performance	✔

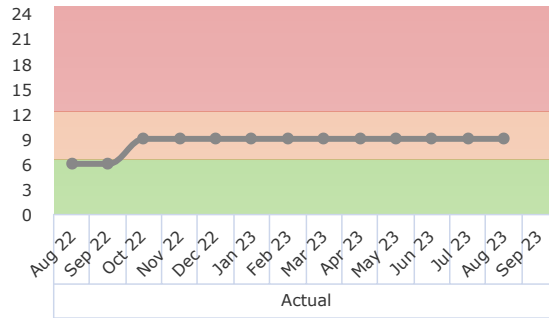
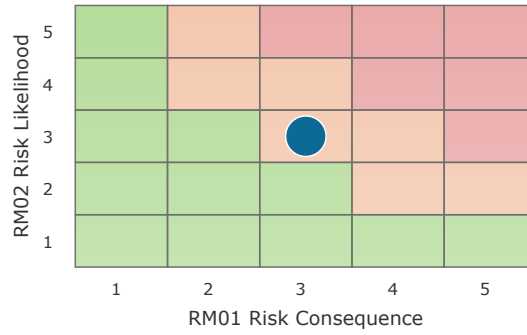
	Responsible		Jun 23
<input checked="" type="checkbox"/> Medium Term Financial Strategy	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Monitoring impact of the business rates retention	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Policy Work	Steve Blatch	Performance	✔
<input checked="" type="checkbox"/> Reporting - New legislation and consultation	Helen Thomas	Performance	✔
<input checked="" type="checkbox"/> Timely agreement of the annual Localised Council Tax Support Scheme	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Utilisation of the New Homes Bonus grant within the base budget for 2018/19 onwards	Tina Stankley	Performance	✔

Outstanding

This report does not contain any data

SR 002 Operational

Responsibility	Resources
Risk Description	<p>OPERATIONAL: related to operational exposures within its organisation, its counterparties, partners and commercial interests.</p> <p>Risk - operational issues prevent or hinder the achievement of the Council's aims.</p> <p>Effect - the Council does not achieve it's operational or strategic aims.</p>
Risk Category	D Operational
Risk Response	Treat



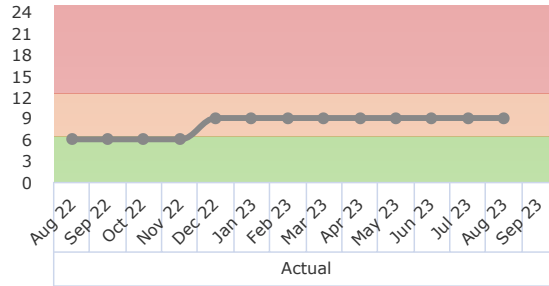
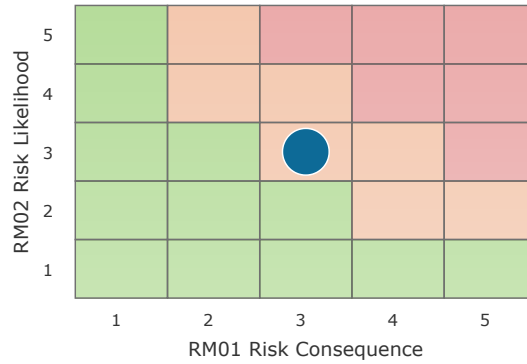
Latest Update

31/08/2023		
SR 002 Operational : Status	Score	9.00
	Target	4.00
	Performance	●
	Direction of change	➡
	Comments	Whilst the score has remained the same there is an emerging risk of potential strikes as the Unions are pressing Local Government for a better pay deal for its members.

31/08/2023		
SR 002 Operational : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
SR 002 Operational : RM02 Risk Likelihood	Score	3
	Target	2
	Direction of change	➡

CR 001 Deteriorating/ underused property assets

Responsibility	<ul style="list-style-type: none"> ■ Property Services ■ Estates and Assets
Risk Description	Deteriorating/ underused property assets - loss of revenue / legal liability/ increased maintenance costs/ not achieving value for money/reputational risk/capital commitment.
Risk Category	D Operational
Risk Response	



Latest Update


31/08/2023		
CR 001 Deteriorating/ underused property assets : Status	Score	9.00
	Target	4.00
	Performance	●
	Direction of change	➡
	Comments	There are a few known issues which need to be resolved and will incur significant cost. Some of these issues were hoped to be addressed with a successful bid for levelling up funding, however, we were unsuccessful in the second round. We are expecting an announcement of a round three funding programme and we will submit an updated bid and are hopeful of being successful as we are a priority 1 authority for this funding. Without the funding we will have to look to borrow to address the issues with these assets that are important community facilities.

31/08/2023		
CR 001 Deteriorating/ underused property assets : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
CR 001 Deteriorating/ underused property assets : RM02 Risk Likelihood	Score	3
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

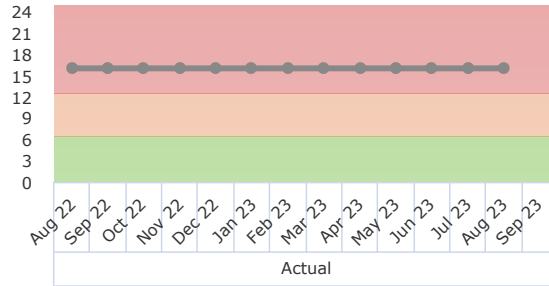
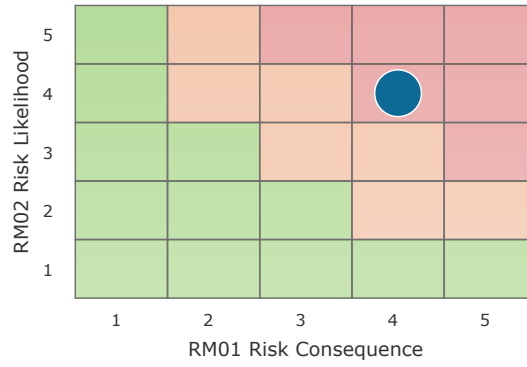
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Adequate budget provision both from revenue and capital to support R&M works and capital investment	Cara Jordan	Performance	✔
<input checked="" type="checkbox"/> Adequate staff or appropriately qualified external contractor support	Cara Jordan	Performance	✔
<input checked="" type="checkbox"/> Asset Condition Surveys	Cara Jordan	Performance	✔
<input checked="" type="checkbox"/> Business cases for commercialisation of assets to deliver future income and efficiencies	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Compliance policies in place and up to date	Cara Jordan	Performance	✔

		Responsible	Jun 23
<input checked="" type="checkbox"/>	Compliance works undertaken in a timely fashion	Cara Jordan	Performance 
<input checked="" type="checkbox"/>	Procure a Strategic Development Partner	Cara Jordan	Performance 

Outstanding				
		Stage	Responsible	Jun 23
<input checked="" type="checkbox"/>	Production and approval of the Asset Management Plan	In Progress	Renata Garfoot	Performance 
			Comments	The Plan is to be reviewed against the Councils emerging new Corporate Plan following the recent elections and may require additional amendments to ensure it is fully aligned with the new Council priorities.
			Due Date	30/07/2020

CR 008 Loss of Information

Responsibility	Organisational Resources
Risk Description	Loss of information assets - reputational (hacking/theft), operational disruption, impact on customers.
Risk Category	D Operational
Risk Response	Treat



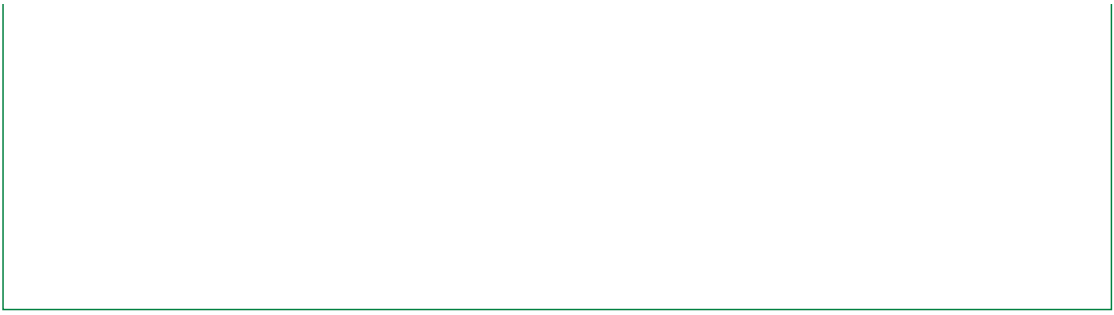
Latest Update

31/08/2023		
CR 008 Loss of Information : Status	Score	16.00
	Target	4.00
	Performance	▲
	Direction of change	➡
	Comments	Cyber Awareness training is planned for staff and Members starting autumn 2023.

31/08/2023		
CR 008 Loss of Information : RM01 Risk Consequence	Score	4
	Target	2
	Direction of change	➡
CR 008 Loss of Information : RM02 Risk Likelihood	Score	4
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

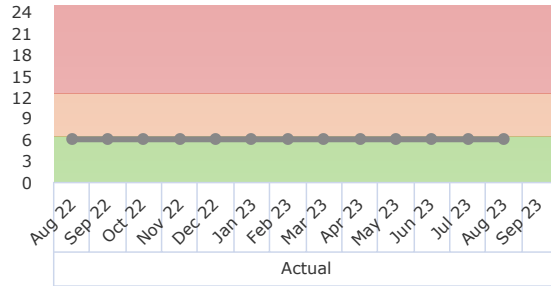
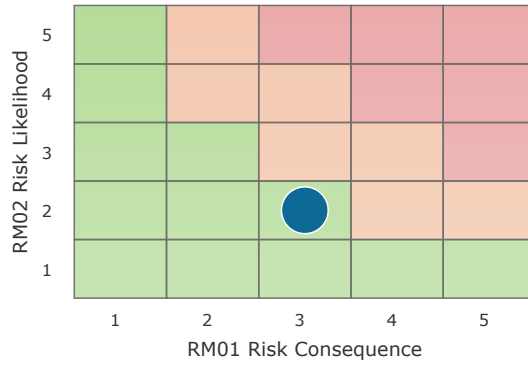
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Certified Security Professional Training	Kate Wilson	Performance	✔
<input checked="" type="checkbox"/> Data Protection training	Cara Jordan	Performance	✔
<input checked="" type="checkbox"/> GDPR compliance framework	Cara Jordan	Performance	✔
<input checked="" type="checkbox"/> ICT Strategy	Sean Kelly	Performance	✔
<input checked="" type="checkbox"/> Implement data security protocols	Sean Kelly	Performance	✔
<input checked="" type="checkbox"/> Information Risk Policy and Role Description	Sean Kelly	Performance	✔
<input checked="" type="checkbox"/> IT Monitoring	Sean Kelly	Performance	✔
<input checked="" type="checkbox"/> IT Security Policies	Sean Kelly	Performance	✔
<input checked="" type="checkbox"/> PSN Code of Connection compliance	Sean Kelly	Performance	✔
<input checked="" type="checkbox"/> Regular 3rd party data protection and integrity testing	Sean Kelly	Performance	✔
<input checked="" type="checkbox"/> Regular audits of IT security arrangements	Sean Kelly	Performance	✔



Outstanding					
	Stage	Responsible		Jun 23	
<input checked="" type="checkbox"/>	Review and update of Web Strategy	Cancelled	Sean Kelly	Performance	
				Comments	~
				Due Date	31/12/2020

CR 009 Poor Procurement

Responsibility	Property Services
Risk Description	Poor Procurement - poor value for money, poor strategic and operational outcomes, legal challenge, loss of public confidence, lack of transparency.
Risk Category	D Operational
Risk Response	Treat



Latest Update

31/08/2023		
CR 009 Poor Procurement : Status	Score	6.00
	Target	4.00
	Performance	★
	Direction of change	➡
	Comments	The procurement officer is doing a lot of work reviewing the contracts we have and that end of contract processes are followed correctly,as well as supporting new procurements.

31/08/2023		
CR 009 Poor Procurement : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
CR 009 Poor Procurement : RM02 Risk Likelihood	Score	2
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

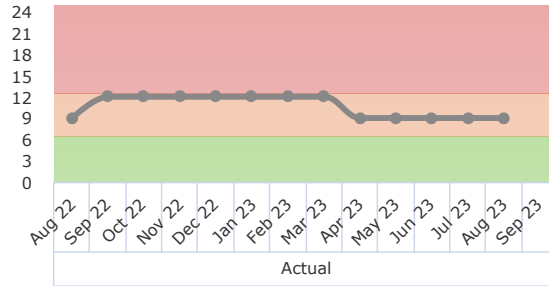
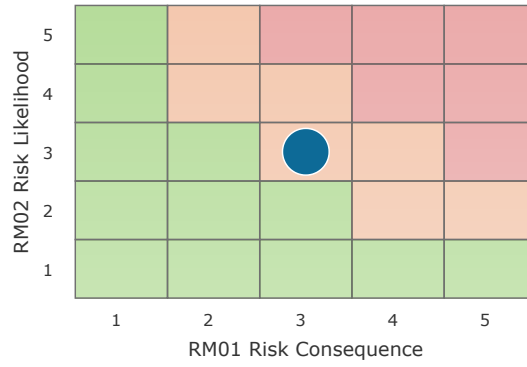
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Advice for external suppliers	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Joint procurement protocol and opportunities for joint/shared procurement with other authorities	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Procurement Framework	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Procurement responsibility assigned	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Procurement Strategy	Tina Stankley	Performance	✔

Outstanding

This report does not contain any data

CR 013 Emergency event

Responsibility	Civil Contingencies
Risk Description	Context Any Internal or external event that has a significant impact on the ability of the Council to deliver services.
Risk Category	D Operational
Risk Response	Treat



Latest Update

31/08/2023		
CR 013 Emergency event : Status	Score	9.00
	Target	4.00
	Performance	●
	Direction of change	➡
	Comments	There is a risk of concurrent incidents in the coming months which will stretch Civil Contingencies team and NNDC when they arise. This has been addressed by Winter preparedness group and there was a winter assurance workshop in October. A separate group looking at industrial action which might affect Norfolk Resilience Forum partners and NNDC by extension.

31/08/2023		
CR 013 Emergency event : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
CR 013 Emergency event : RM02 Risk Likelihood	Score	3
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

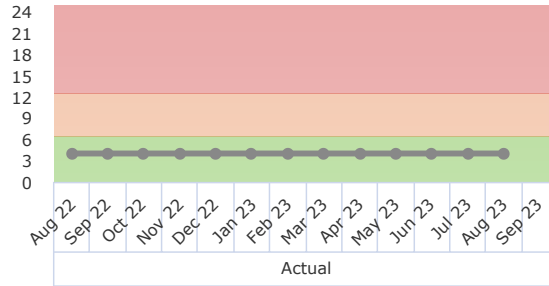
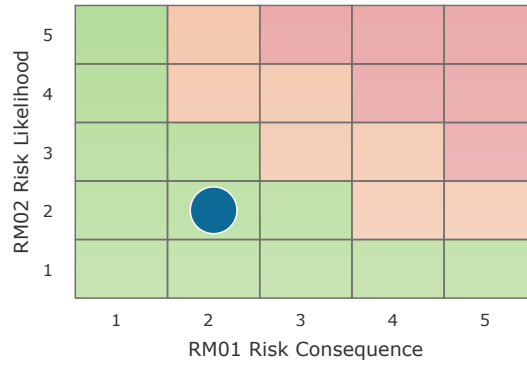
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Budget Process / Budget Monitoring	Jeny Carroll	Performance	✔
<input checked="" type="checkbox"/> Business Continuity Planning	Alison Sayer	Performance	✔
<input checked="" type="checkbox"/> CC 001 Consideration of COVID-19 implications	Alison Sayer	Performance	✔
<input checked="" type="checkbox"/> Complete critical services' Business Continuity Plans (BCP)	Alison Sayer	Performance	✔
<input checked="" type="checkbox"/> Corporate Business Continuity key role training	Alison Sayer	Performance	✔
<input checked="" type="checkbox"/> Corporate Planning / Service Planning	Helen Thomas	Performance	✔
<input checked="" type="checkbox"/> Corporate Policies and Procedures	Alison Sayer	Performance	✔
<input checked="" type="checkbox"/> Create and issue adverse weather guidance	Alison Sayer	Performance	✔

		Responsible	Jun 23
<input checked="" type="checkbox"/>	Emergency Response & Recovery Planning	Alison Sayer	Performance
<input checked="" type="checkbox"/>	Employment Policies	James Claxton	Performance
<input checked="" type="checkbox"/>	Refresh the project management framework	Kate Rawlings	Performance

Outstanding				
		Stage	Responsible	Jun 23
<input checked="" type="checkbox"/>	CC 002 ER1 Review Emergency Response Plan	In Progress	Alison Sayer	Performance
			Comments	
			Due Date	30/04/2021

CR 024 People Resources

Responsibility	Human Resources
Risk Description	Failure to retain and recruit adequately trained and experienced staff- negative impact on corporate plan, business transformation, planning performance and delivery etc.
Risk Category	D Operational
Risk Response	Treat



Latest Update

31/08/2023		
CR 024 People Resources : Status	Score	4.00
	Target	4.00
	Performance	★
	Direction of change	➡
	Comments	The level of risk to the organisation remains unchanged. The most recent Office for National Statistics (ONS) figures reported 1.1million vacancies across the UK. In order for the organisation to remain competitive and relevant when recruiting people it is anticipated that the authority will move forward with procurement of recruitment software.

31/08/2023		
CR 024 People Resources : RM01 Risk Consequence	Score	2
	Target	2
	Direction of change	➡
CR 024 People Resources : RM02 Risk Likelihood	Score	2
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

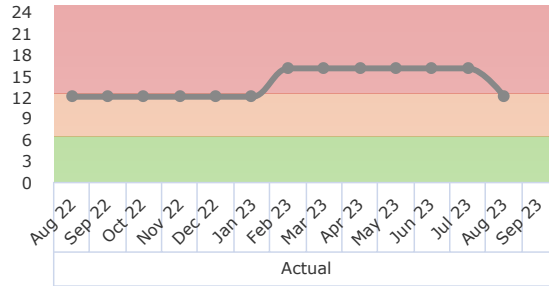
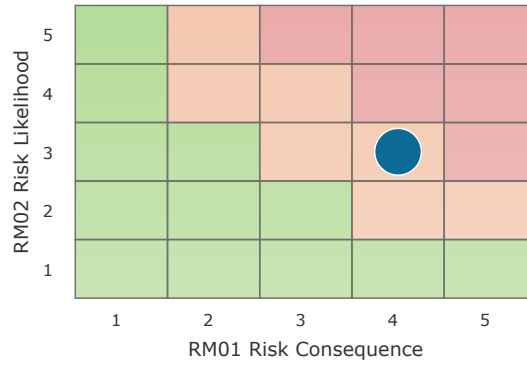
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Apprenticeship programme	James Claxton	Performance	✔
<input checked="" type="checkbox"/> Check-in process	James Claxton	Performance	✔
<input checked="" type="checkbox"/> Corporate Planning / Service Planning	Helen Thomas	Performance	✔
<input checked="" type="checkbox"/> Employee Referral Scheme	James Claxton	Performance	✔
<input checked="" type="checkbox"/> HR 006 New Ways of Working - Policy Creation	James Claxton	Performance	✔
<input checked="" type="checkbox"/> Market Pay Review report	James Claxton	Performance	✔

		Responsible	Jun 23
<input checked="" type="checkbox"/>	Review Pay Policy	James Claxton	Performance
<input checked="" type="checkbox"/>	Review relocation policy	James Claxton	Performance

Outstanding			
		Responsible	Jun 23
<input checked="" type="checkbox"/>	HR 007 Develop 'People Strategy'	James Claxton	Performance ?
			Comments
			Due Date 31/07/2022

CR 025 Contract failure

Responsibility	Finance
Risk Description	Context The Council has a number of contracts for service delivery. Cause Failure of a contractor Consequence increased costs and operational disruption
Risk Category	D Operational
Risk Response	Treat



Latest Update

31/08/2023		
CR 025 Contract failure : Status	Score	12.00
	Target	4.00
	Performance	●
	Direction of change	↓
	Comments	All indicators are that our waste and cleansing contract is in a stable place, our income continues to increase as residents and businesses take up our waste collection services. The increase in collection has necessitated the purchase of two additional vehicles to cope with the the demand. This is our biggest contract which would have the most impact if it failed however, the service continues to develop and customers grow.

31/08/2023		
CR 025 Contract failure : RM01 Risk Consequence	Score	4
	Target	2
	Direction of change	➡
CR 025 Contract failure : RM02 Risk Likelihood	Score	3
	Target	2
	Direction of change	✓



Control, Contingency & Mitigating Actions

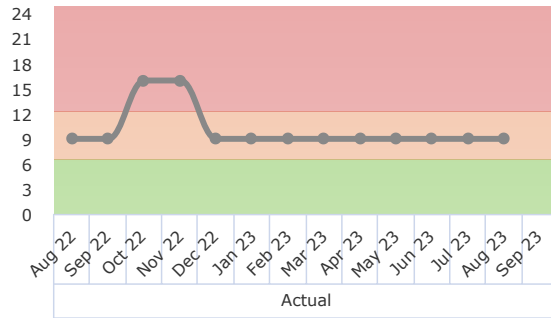
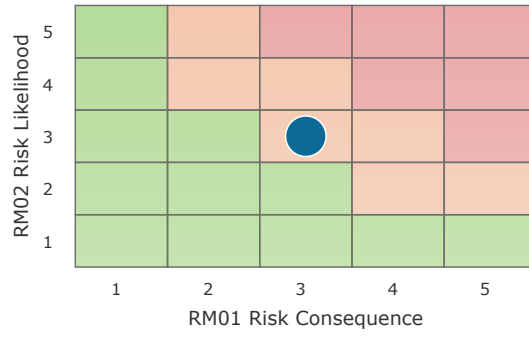
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Advice for external suppliers	Tina Stankley	Performance	✓
<input checked="" type="checkbox"/> Joint procurement protocol and opportunities for joint/shared procurement with other authorities	Tina Stankley	Performance	✓
<input checked="" type="checkbox"/> Procurement Framework	Tina Stankley	Performance	✓
<input checked="" type="checkbox"/> Procurement Officer post established	Tina Stankley	Performance	✓
<input checked="" type="checkbox"/> Procurement Strategy	Tina Stankley	Performance	✓

Outstanding

This report does not contain any data

SR 003 Macroeconomic

Responsibility	Resources
Risk Description	<p>MACROECONOMIC: related to the growth or decline of the local economy, interest rates, inflation and to a lesser degree, the wider national and global economy amongst others.</p> <p>Risk - national/global recession resulting in business failure and unemployment.</p> <p>Effect - increased requirement for benefits, housing, council tax support, business advice and support.</p>
Risk Category	B Macroeconomic
Risk Response	Treat



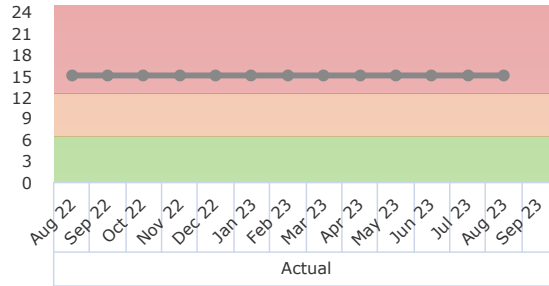
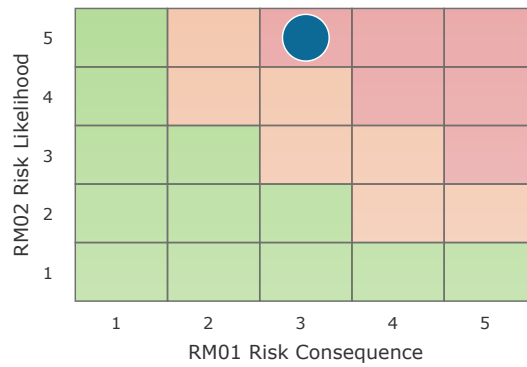
Latest Update

		31/08/2023
SR 003 Macroeconomic : Status	Score	9.00
	Target	12.00
	Performance	●
	Direction of change	➔
	Comments	The poor macroeconomic position doesn't seem to be easing at all. The rate of inflation has reduced slightly but is still at a

31/08/2023		
SR 003 Macroeconomic : RM01 Risk Consequence	Score	3
	Target	3
	Direction of change	➔
SR 003 Macroeconomic : RM02 Risk Likelihood	Score	3
	Target	4
	Direction of change	➔

CR 026 Impact of economic fluctuations on the North Norfolk economy

Responsibility	Sustainable Growth
Risk Description	Local Economic position- impact on NNDR, revenue streams, higher demand for services, business failure, increased unemployment and deprivation. National Economic position - central government funding challenges. Global Economic position - potential negative impact on council investments resulting in reduced income.
Risk Category	B Macroeconomic
Risk Response	Treat



Latest Update

31/08/2023		
CR 026 Impact of economic fluctuations on the North Norfolk economy : Status	Score	15.00
	Target	4.00
	Performance	▲
	Direction of change	➡
	Comments	There remains concern about the wider economic health of the area. Whilst North Norfolk's market and resort towns seem to be managing, there are undoubtedly a number of 'highly leveraged' businesses operating and the pressures of inflation, wage inflation, fuel costs and reduced household income will begin to impact, unless the context changes soon.

31/08/2023		
CR 026 Impact of economic fluctuations on the North Norfolk economy : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
CR 026 Impact of economic fluctuations on the North Norfolk economy : RM02 Risk Likelihood	Score	5
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

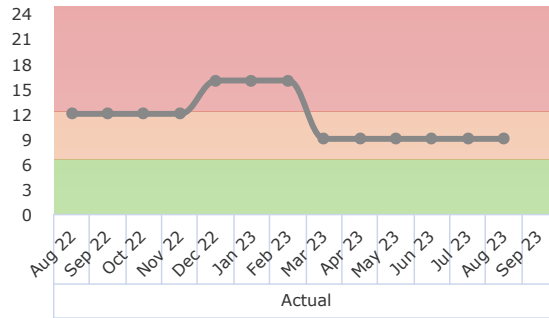
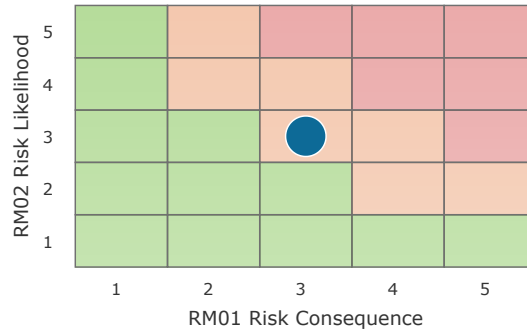
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Business Survey	Stuart Quick	Performance	✔
<input checked="" type="checkbox"/> Corporate Planning / Service Planning	Helen Thomas	Performance	✔
<input checked="" type="checkbox"/> Fund Management advice from Arlingclose	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> HS 003 - Monitor the need for temporary accommodation and ensure suitable provision	Graham Connolly	Performance	✔
<input checked="" type="checkbox"/> Medium Term Financial Strategy	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Operation of the Council Tax Hardship Fund	Trudi Grant	Performance	✔
<input checked="" type="checkbox"/> Treasury Management Strategy	Stuart Quick	Performance	✔



Outstanding				
	Stage	Responsible		Jun 23
☑ 2.2.1 Economic Growth Strategy 2020 - 2023	In Progress	Stuart Quick	Performance	★
			Comments	A Project Inception Document has been produced and agreed by the Portfolio Holder for Sustainable Growth. This outlines the various elements that will be delivered by this work, including evidence gathering and consultation. A final document will be produced for adoption by the Council in early 2024.
			Due Date	30/04/2023

SR 004 Strategic

Responsibility	Resources
Risk Description	<p>STRATEGIC: key initiatives undertaken by the Council such as significant purchases, new ventures, commercial interests and other areas of organisational change deemed necessary to help the Council meet its goals.</p> <p>Risk - Corporate Plan and Projects may not be delivered within agreed timescales or budget.</p> <p>Effect - objectives not delivered, poor use of council financial resources.</p>
Risk Category	E Strategic
Risk Response	Treat



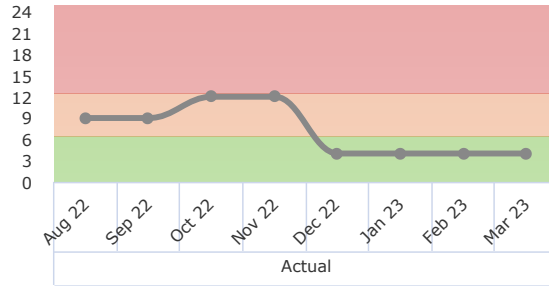
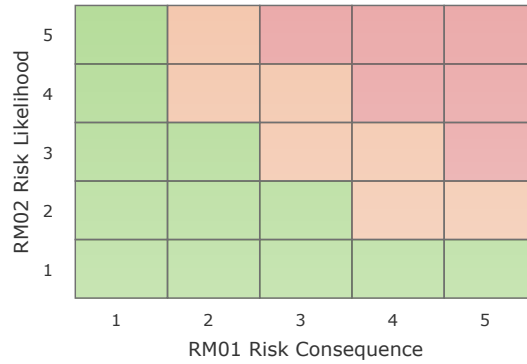
Latest Update

31/08/2023	
SR 004 Strategic : Status	Score 9.00
	Target 4.00
	Performance ●
	Direction of change ➔
Comments	There is a strong indication that there may be a third round of Levelling up funding being announced soon. If this is the case and the Council is successful then this would bring about much needed regeneration in Cromer and Fakenham. This would have a positive impact on reducing the Strategic Risk if it happens.

31/08/2023		
SR 004 Strategic : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➔
SR 004 Strategic : RM02 Risk Likelihood	Score	3
	Target	2
	Direction of change	➔

CR 027 Strategic financial and performance management

Responsibility	Resources
Risk Description	The Council's income/expenditure challenges may put at risk some of the work streams identified in the Corporate Plan. Poor performance management leading to not knowing whether outcomes have been met.
Risk Category	E Strategic
Risk Response	Treat



Latest Update

31/08/2023		
CR 027 Strategic financial and performance management : Status	Score	n/r
	Target	n/r
	Performance	<<
	Direction of change	>>
	Comments	This area of risk is being addressed elsewhere by other corporate risks and improvement to performance management. Therefore, this risk has been closed.

31/08/2023		
CR 027 Strategic financial and performance management : RM01 Risk Consequence	Score	n/r
	Target	n/r
	Direction of change	>>
CR 027 Strategic financial and performance management : RM02 Risk Likelihood	Score	n/r
	Target	n/r
	Direction of change	>>



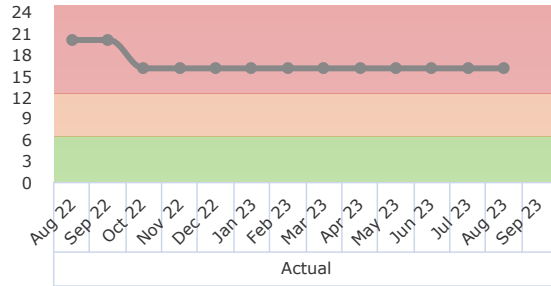
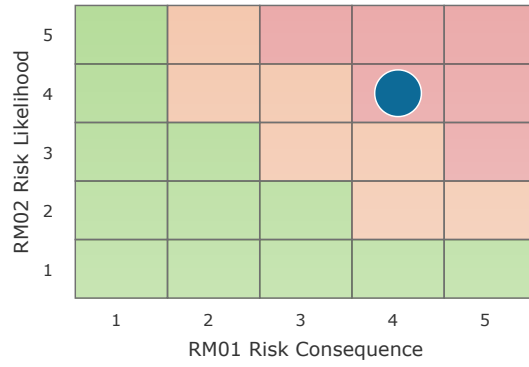
Control, Contingency & Mitigating Actions

Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Annual review of the Council's reserves	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Budget Process / Budget Monitoring	Jeny Carroll	Performance	✔
<input checked="" type="checkbox"/> Corporate Planning / Service Planning	Helen Thomas	Performance	✔
<input checked="" type="checkbox"/> Medium Term Financial Strategy	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Refresh the project management framework	Kate Rawlings	Performance	✔
<input checked="" type="checkbox"/> Review the Corporate Plan 2019-23 post Covid-19	Steve Blatch	Performance	✔

Outstanding				
	Stage	Responsible		Jun 23
<input checked="" type="checkbox"/> Emerging Local Plan	In Progress	Mark Ashwell	Performance	★
			Comments	
			Due Date	not set

SR 005 Environmental and Social

Responsibility	Resources
Risk Description	<p>ENVIRONMENTAL AND SOCIAL: related to the environmental and social impact of the Council's strategy and interests.</p> <p>Risk - Council fails to take into account changing environmental and social needs.</p> <p>Effect - strategic objectives don't reflect environmental and social issues.</p>
Risk Category	F Environmental & Social
Risk Response	Treat



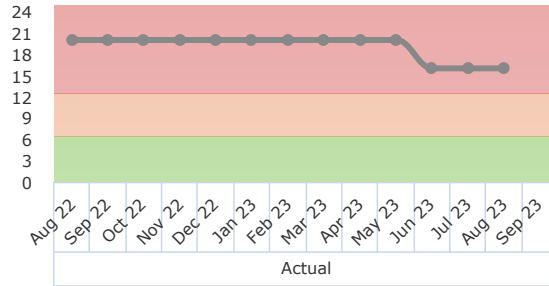
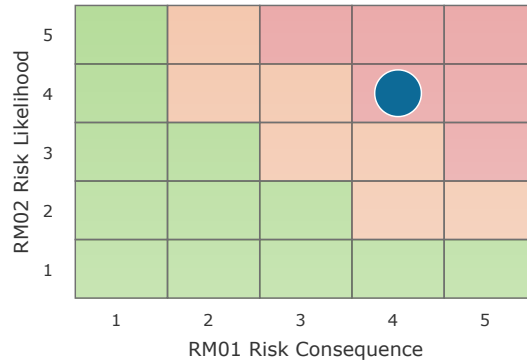
Latest Update

		31/08/2023
SR 005 Environment & Social : Status	Score	16.00
	Target	4.00
	Performance	
	Direction of change	▲
	Comments	The issue of nutrient neutrality remains which is negatively impacting on any new house building. The work on achieving Net Zero by 2030 target continues, but full Council approved on 19 July 2023 at its meeting that some specific funding should be set aside in a specific reserve to kick start this work as part of the Outturn Report for 2022/23, but the cost of achieving the target and the short time frame make this a big risk.

		31/08/2023
SR 005 Environment & Social : RM01 Risk Consequence	Score	4
	Target	2
	Direction of change	➡
SR 005 Environment & Social : RM02 Risk Likelihood	Score	4
	Target	2
	Direction of change	➡

CR 002 Flooding, erosion and loss of assets and delivery of services

Responsibility	Coastal Partnership East
Risk Description	Inability to adapt to climate change - increased coastal erosion and flooding. Lack of Government funding - lack of ability to maintain coast defences and / or to support local coastal adaption needs.
Risk Category	F Environmental & Social
Risk Response	Treat



Latest Update

		31/08/2023
CR 002 Flooding, erosion and loss of assets and delivery of services : Status	Score	16.00
	Target	4.00
	Performance	▲
	Direction of change	➡
	Comments	Coastal and Climate risk remain high for North Norfolk and over time will increase based on climate change forecasts. NNDC has invested in coastal protection and management over a long period of time, however, with aging infrastructure, depleting beaches and sea level rise, erosion remains a primary risk for our coast. The Council continues to invest in erosion risk management measures including maintenance of existing assets and capital schemes where it is viable to do so. In many locations it is not possible to prevent erosion and there is a need to seek ways to support communities and individuals to transition away from risk. North Norfolk was selected by DEFRA as one of two local authorities for the Coastal Transition Accelerator Programme (CTAP) to investigate, develop, deliver and learn new approaches to support communities to transition away from coastal erosion. This Programme replaces the Flood Coast Resilient Innovation Programme (Resilient Coast) in North Norfolk which was in preparation last year. This new programme provides a significant opportunity to develop local initiatives from which the learning can be transferred to other local authorities and shape the future national approach to coastal change management.

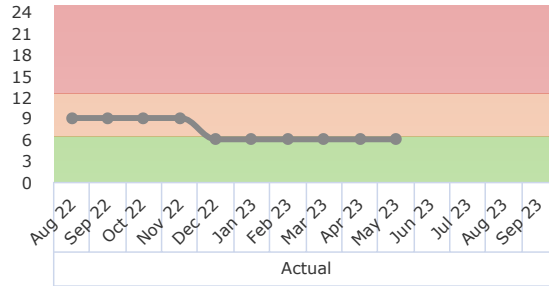
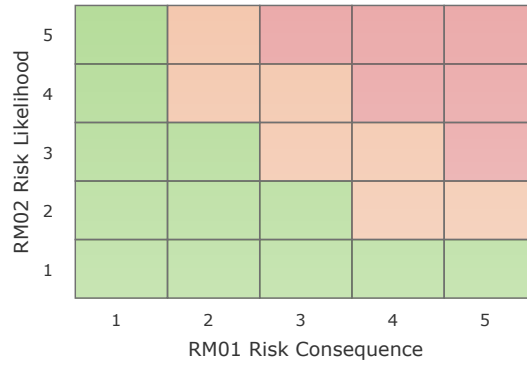
		31/08/2023
CR 002 Flooding, erosion and loss of assets and delivery of services : RM01 Risk Consequence	Score	4
	Target	2
	Direction of change	➡
CR 002 Flooding, erosion and loss of assets and delivery of services : RM02 Risk Likelihood	Score	4
	Target	2
	Direction of change	➡

Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> 4.3.1 Baseline carbon audit and carbon reduction action plan	Robert Young	Performance	?
<input checked="" type="checkbox"/> Bacton and Walcott coastal management scheme	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> Coastal Monitoring	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> Coastal Partnership East set up	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> Control of coastal management schemes through procurement and regular checking	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> Corporate Planning / Service Planning	Helen Thomas	Performance	✔
<input checked="" type="checkbox"/> DEFRA funding of capital schemes	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> Environment Forum	Robert Young	Performance	✔
<input checked="" type="checkbox"/> Health & Safety checking and monitoring	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> Procurement practices	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Repairs & Maintenance Programme	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> Shoreline Management Plan (SMP)	Rob Goodliffe	Performance	✔
<input checked="" type="checkbox"/> The Pathfinder Project	Rob Goodliffe	Performance	✔

Outstanding				
	Stage	Responsible		Jun 23
<input checked="" type="checkbox"/> CM 002 Refurbish coastal defences at Mundesley	In Progress	Tamzen Pope	Performance	●
			Comments	<p>Scheme costs (combined with Cromer) have increased. We are in discussions with Environment Agency to try to secure further funding.</p> <p>Project delays have occurred due to MMO and planning consents.</p> <p>Project to go to Cabinet and Full Council in September 2023</p> <p>Construction phase proposal has been received from Balfour Beatty which is being reviewed by project team.</p> <p>Operational Officers Group to be established with other teams within NNDC to identify and resolve any further issues but also to identify opportunities.</p> <p>Major Project Board has been established</p> <p>Member is fully informed</p>
			Due Date	31/03/2023
<input checked="" type="checkbox"/> CM 016 10 year capital programme	In Progress	Tamzen Pope	Performance	★
			Comments	<p>Works are progressing on Cromer and Mundesley.</p> <p>Development of other projects on our 10 year capital programme are being planned however have not yet started.</p>
			Due Date	31/03/2030

CR 010 Housing Delivery

Responsibility	Strategic Housing
Risk Description	Non delivery of housing targets may lead to increasing homelessness, impact on NHB, vibrancy of local communities, impact on social infrastructure, loss of temporary accommodation in district, lack of social housing.
Risk Category	F Environmental & Social
Risk Response	Treat



Latest Update

31/08/2023		
CR 010 Housing Delivery : Status	Score	
	Target	4.00
	Performance	?
	Direction of change	?
	Comments	<p>Joint venture nutrient neutrality mitigation strategy to be released in May 2023, register of interests for land owners to be promoted in May/ June 2023. Mitigation mapping is completed and will direct negotiations to ensure the backlog of planning applications can be addressed. The first planning permissions expected to be released August to September 2023.</p> <p>North Norfolk Local Plan submitted to the Planning Inspectorate for examination in April 2023. Expectation for examination in public to be held in September 2023.</p>

31/08/2023		
CR 010 Housing Delivery : RM01 Risk Consequence	Score	
	Target	2
	Direction of change	?
CR 010 Housing Delivery : RM02 Risk Likelihood	Score	
	Target	2
	Direction of change	?

Control, Contingency & Mitigating Actions

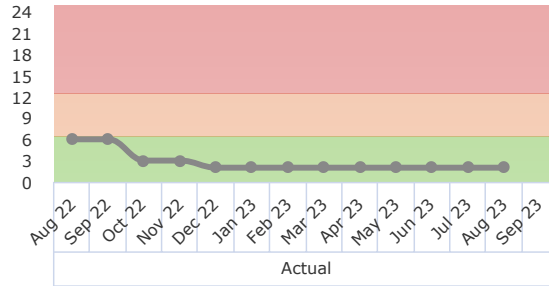
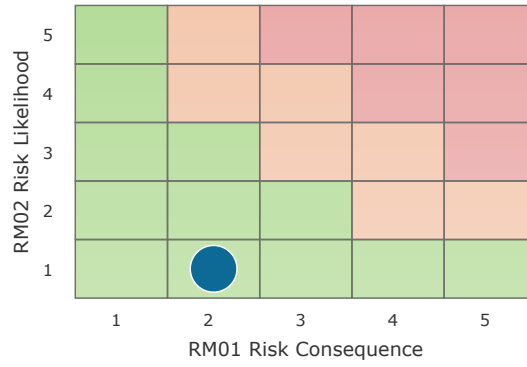
Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> 1.2.1 Formulate a new Housing Strategy	Graham Connolly	Performance	✔
<input checked="" type="checkbox"/> 1.4.1 Developing and implementing a new Homelessness and Rough Sleepers Strategy and Action Plan	Lisa Grice	Performance	✔
<input checked="" type="checkbox"/> 1.5.1 Investigate ways to support and assist affordable housing providers	Graham Connolly	Performance	✔
<input checked="" type="checkbox"/> Community Housing Fund	Graham Connolly	Performance	✔

	Responsible		Jun 23
<input checked="" type="checkbox"/> Enhance Housing Association delivery	Graham Connolly	Performance	✔
<input checked="" type="checkbox"/> Housing Strategy implementation	Robert Young	Performance	✔
<input checked="" type="checkbox"/> HS 003 - Monitor the need for temporary accommodation and ensure suitable provision	Graham Connolly	Performance	✔
<input checked="" type="checkbox"/> Increased Focus	Nicky Debbage	Performance	✔
<input checked="" type="checkbox"/> Internal planning protocol	Phillip Rowson	Performance	✔
<input checked="" type="checkbox"/> Local Development Framework (LDF) policies	Mark Ashwell	Performance	✔
<input checked="" type="checkbox"/> Local Investment Plan	Nicky Debbage	Performance	✔
<input checked="" type="checkbox"/> Monitor Brexit and its potential impact on the ability to deliver and acquire homes as a home owner	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Partnership work with Registered Providers	Graham Connolly	Performance	✔
<input checked="" type="checkbox"/> Use of capital	Nicky Debbage	Performance	✔

Outstanding				
	Stage	Responsible		Jun 23
<input checked="" type="checkbox"/> 1.3.1 Develop a business case for a housing company	Cancelled	Nicky Debbage	Performance	
			Comments	~
			Due Date	31/12/2021
<input checked="" type="checkbox"/> HO 007d Production of SLA	Cancelled	Wendi Creelman	Performance	?
			Comments	
			Due Date	31/03/2025

SR 006 Governance

Responsibility	Resources
Risk Description	<p>GOVERNANCE: related to ensuring that prudence and careful consideration sit at the heart of the Council's decision-making, augmented by quality independent advice and appropriate checks and balances that balance oversight and efficiency.</p> <p>Risk - Council acts outside established procedures or unlawfully.</p> <p>Effect - risk of litigation/reputational risk to Council/poor decision making.</p>
Risk Category	G Governance
Risk Response	Treat



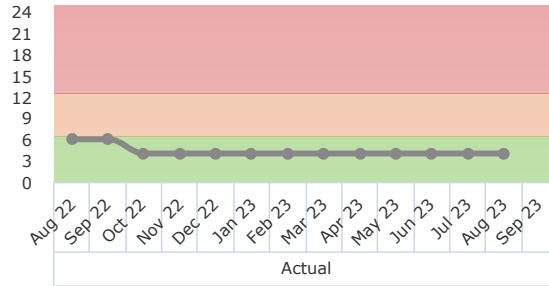
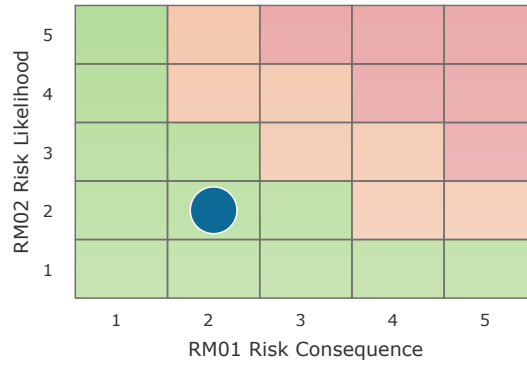
Latest Update

31/08/2023		
SR 006 Governance : Status	Score	2.00
	Target	2.00
	Performance	★
	Direction of change	➡
	Comments	

31/08/2023		
SR 006 Governance : RM01 Risk Consequence	Score	2
	Target	2
	Direction of change	➡
SR 006 Governance : RM02 Risk Likelihood	Score	1
	Target	1
	Direction of change	➡

CR 028 Governance failures

Responsibility	Resources
Risk Description	Ignorance or non observance of the Council's agreed governance protocols - poor or illegal decision making.
Risk Category	G Governance
Risk Response	Treat



Latest Update

31/08/2023		
CR 028 Governance failures : Status	Score	4.00
	Target	4.00
	Performance	★
	Direction of change	➡
	Comments	A review of the Constitution is taking place to make sure that it is fit for purpose and has the right level of controls in place and once completed there will need to be a programme of training for Members and officers.

31/08/2023		
CR 028 Governance failures : RM01 Risk Consequence	Score	2
	Target	2
	Direction of change	➡
CR 028 Governance failures : RM02 Risk Likelihood	Score	2
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Annual Assurance Statements	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Annual Audit Report	Lucy Hume	Performance	✔
<input checked="" type="checkbox"/> Annual Governance Statement 2019/20 supported by assurance framework	Alison Chubbock	Performance	✔
<input checked="" type="checkbox"/> Annual Governance Statement 2020/21 supported by assurance framework	Alison Chubbock	Performance	✔
<input checked="" type="checkbox"/> Audit programme	Lucy Hume	Performance	✔
<input checked="" type="checkbox"/> Clear robust corporate governance framework	Renata Garfoot	Performance	✔
<input checked="" type="checkbox"/> Committee report templates	Emma Denny	Performance	✔
<input checked="" type="checkbox"/> Constitution/Standing Orders/Scheme of Delegations	Paul Dean	Performance	✔
<input checked="" type="checkbox"/> Corporate Planning / Service Planning	Helen Thomas	Performance	✔

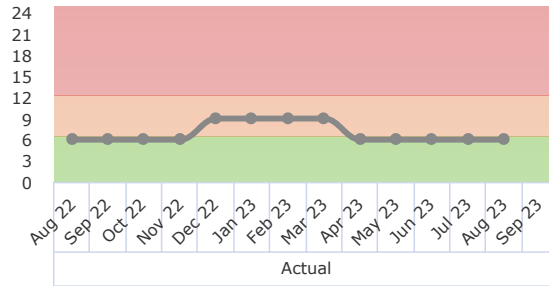
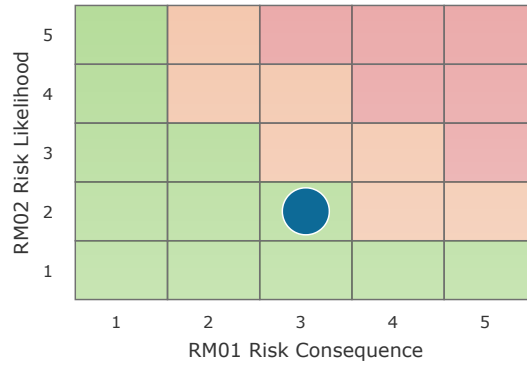
	Responsible		Jun 23
<input checked="" type="checkbox"/> Head of Internal Audit assurance	Tina Stankley	Performance	✔
<input checked="" type="checkbox"/> Member/ Officer Protocol	Emma Denny	Performance	✔
<input checked="" type="checkbox"/> Monitoring Officer actions to ensure governance risk is minimised	Cara Jordan	Performance	✔
<input checked="" type="checkbox"/> Monitoring Officer Report	Cara Jordan	Performance	✔
<input checked="" type="checkbox"/> Operation of Constitutoon Working Party	Emma Denny	Performance	✔
<input checked="" type="checkbox"/> Operation of Overview and Scrutiny Committee	Emma Denny	Performance	✔
<input checked="" type="checkbox"/> Operation of Standards Committee	Emma Denny	Performance	✔
<input checked="" type="checkbox"/> Section 151 Officer actions to ensure governance risk is minimised	Tina Stankley	Performance	✔

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Outstanding
This report does not contain any data

SR 007 Reputation

Responsibility	Resources
Risk Description	<p>REPUTATION: related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception.</p> <p>Risk - Council's reputation is adversely affected.</p> <p>Effect- reduced public confidence.</p>
Risk Category	H Reputational
Risk Response	Treat



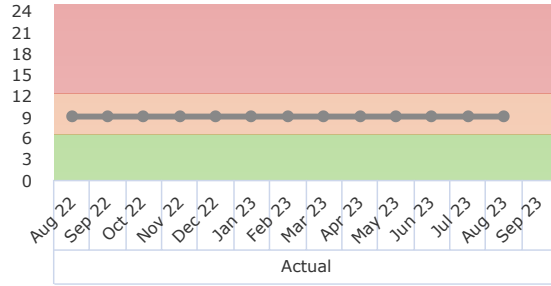
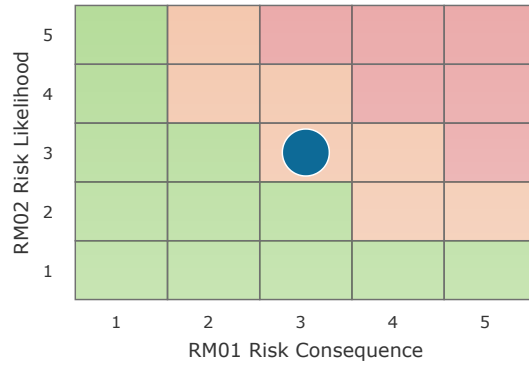
Latest Update

31/08/2023		
SR 007 Reputation : Status	Score	6.00
	Target	4.00
	Performance	★
	Direction of change	➡
	Comments	

31/08/2023		
SR 007 Reputation : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
SR 007 Reputation : RM02 Risk Likelihood	Score	2
	Target	2
	Direction of change	➡

SR 008 Corporate project related risks

Responsibility	Resources
Risk Description	CORPORATE PROJECT RELATED RISKS: Related to individual corporate project risks
Risk Category	I Projects
Risk Response	Treat



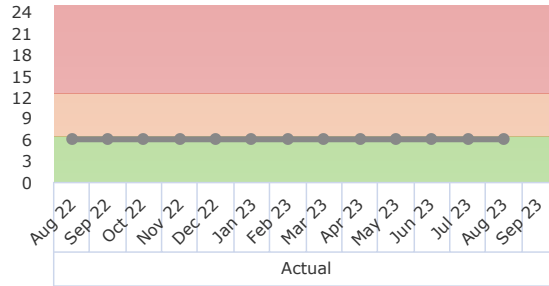
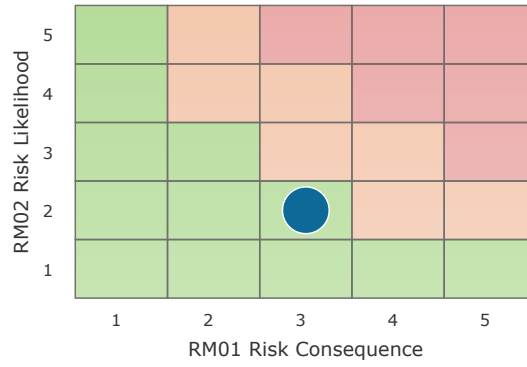
Latest Update

		31/08/2023
SR 008 Corporate project related risks : Status	Score	9.00
	Target	4.00
	Performance	●
	Direction of change	➔
	Comments	The Cedars project has been an area of concern but all involved worked really hard and the work on the house and surrounding gardens was completed by the agreed deadline. There are some other large projects getting underway e.g. Coastwise, UKSPF and REPF grants and the Cromer and Mundesley Coastal Protection project. Therefore the risk should remain as it is currently.

		31/08/2023
SR 008 Corporate project related risks : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➔
SR 008 Corporate project related risks : RM02 Risk Likelihood	Score	3
	Target	2
	Direction of change	➔

CR 030 Sheringham Leisure Centre

Responsibility	Leisure and Localities
Risk Description	
Risk Category	I Projects
Risk Response	Treat



Latest Update

31/08/2023		
CR 030 Sheringham Leisure Centre : Status	Score	6.00
	Target	4.00
	Performance	★
	Direction of change	➡
	Comments	Following the liquidation of the contractor and the final account remaining outstanding we are in the process of understanding commitments that sit with the Council prior to closing the financial aspect of the project and removing the risk to the Council. External advisors have been retained.

31/08/2023		
CR 030 Sheringham Leisure Centre : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
CR 030 Sheringham Leisure Centre : RM02 Risk Likelihood	Score	2
	Target	2
	Direction of change	➡

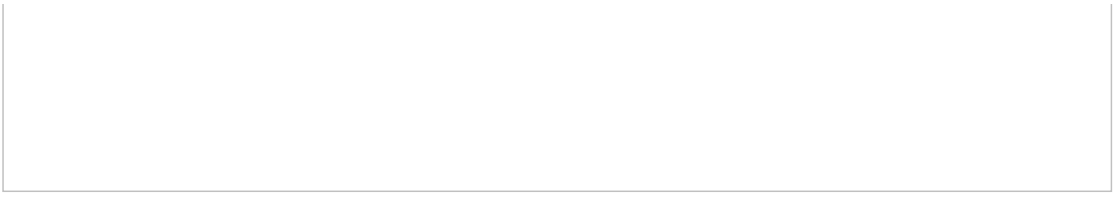


Control, Contingency & Mitigating Actions

Implemented			
	Responsible		Jun 23
<input checked="" type="checkbox"/> Operation of Overview and Scrutiny Committee	Emma Denny	Performance	✔
<input checked="" type="checkbox"/> Project management & reporting procedures - Sheringham Leisure Centre	Robert Young	Performance	✔

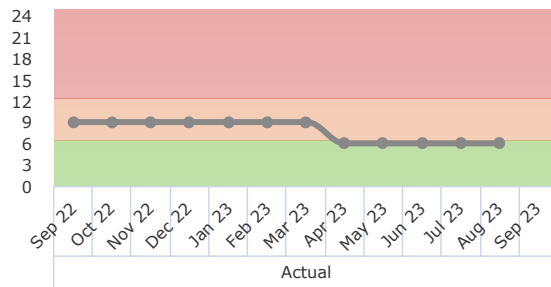
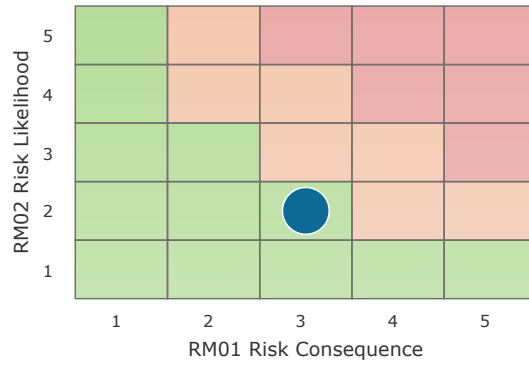
Outstanding

This report does not contain any data



CR 032 Fakenham new roundabout - Delivery of highway infrastructure (roundabout) on A148

Responsibility	Place and Climate Change
Risk Description	<p>1. Cause of risk Rising construction and materials costs</p> <p>2. Description of Risk or potential event Funding not available / timing of works</p> <p>3. Consequence of risk happening Failure to deliver a new roundabout at Fakenham, necessary to unlock housing growth</p> <p>Controls</p> <p>Existing Controls</p> <ul style="list-style-type: none"> •Emerging Local Plan •Stakeholders monthly meeting •Regular dialogue with Norfolk County Council (weekly) •Liaising with NNDC Chief Executive •Keeping ward Members informed •Seeking funding opportunities <p>Further action to achieve target risk score</p> <ul style="list-style-type: none"> •Close liaison with stakeholders in exploring potential funding opportunities. •Regular stakeholder meetings. •Unsuccessful bid made to NCC for additional funding. •Continued input and financial support in relation to design to ensure that infrastructure can be delivered during 2023 if funding matter is resolved.
Risk Category	I Projects
Risk Response	Treat



Latest Update

31/08/2023		
CR 032 Fakenham new roundabout - Delivery of highway infrastructure (roundabout) on A148 : Status	Score	6.00
	Target	4.00
	Performance	★
	Direction of change	➡
	Comments	<p>Project has stalled due to escalating materials and construction costs. Original cost estimate is insufficient to complete works - with an additional circa £1m required at time of writing.</p> <p>Landowner investigating changes to S106 agreement and draft planning conditions pursuant to current submission, however, has indicated that the funding shortfall will be met by them.</p> <p>Applications to NCC to extend existing Business Rates funding availability (£900k) were successful. This funding is to be match funded by NNDC (£900k). This funding has been included within the 2023/24 budget.</p> <p>Earliest opportunity for works now Autumn 2024 and this is the current target date. Delay a direct result of nutrient neutrality issues around the housing delivery. However, initial design works continuing and traffic regulation order being progressed.</p>

31/08/2023		
CR 032 Fakenham new roundabout - Delivery of highway infrastructure (roundabout) on A148 : RM01 Risk Consequence	Score	3
	Target	2
	Direction of change	➡
CR 032 Fakenham new roundabout - Delivery of highway infrastructure (roundabout) on A148 : RM02 Risk Likelihood	Score	2
	Target	2
	Direction of change	➡



Control, Contingency & Mitigating Actions

Implemented

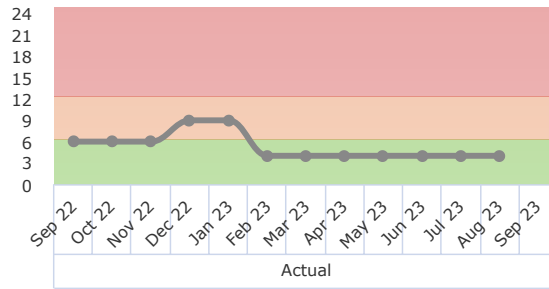
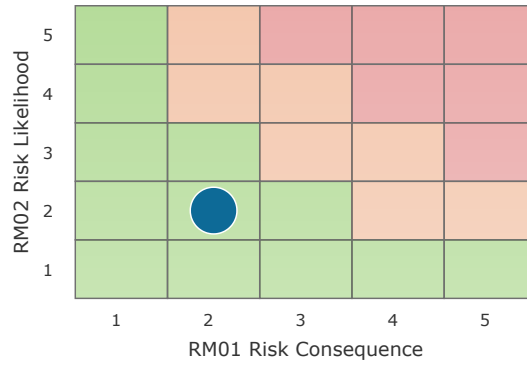
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Outstanding

Stage		Responsible	Outstanding	
<input checked="" type="checkbox"/>	Emerging Local Plan	In Progress	Mark Ashwell	Jun 23
			Performance	★
			Comments	
			Due Date	not set

CR 033 North Walsham High Street Heritage Action Zone - project incomplete

Responsibility	Sustainable Growth
Risk Description	<p>Cause of risk Increases in construction costs.</p> <p>Description of Risk or potential event Insufficient finance to deliver all elements as planned.</p> <p>Consequence of risk happening One or more elements of the scheme will not be completed or partners not doing what they said they were going to do.</p>
Risk Category	I Projects
Risk Response	Treat



Latest Update

		31/08/2023
CR 033 North Walsham High Street Heritage Action Zone - project incomplete : Status	Score	4.00
	Target	4.00
	Performance	★
	Direction of change	➡
	Comments	<p>With the completion of the Market Place element of the place making project (with minor outstanding works), there is greater certainty over the budget and the residual funds to complete the scheme.</p> <p>Take up of the building improvement grants is good and external funding budget deadlines have been met.</p> <p>Work on The Cedars has been completed.</p>

		31/08/2023
CR 033 North Walsham High Street Heritage Action Zone - project incomplete : RM01 Risk Consequence	Score	2
	Target	2
	Direction of change	➡
CR 033 North Walsham High Street Heritage Action Zone - project incomplete : RM02 Risk Likelihood	Score	2
	Target	2
	Direction of change	➡

Control, Contingency & Mitigating Actions

Implemented

This report does not contain any data

This report does not contain any data

Agenda Item 14

Exemptions granted from 26 May 2023 – 30 August 2023

Date	Contractor	Type of Work	Amount (rounded to nearest pound)	Exemption
03/07/23	Furness Partnership	Specialist engineering advice relating to pool design	£11,340 (+disbursements)	(k) a waiver is necessary because of unforeseen emergency, involving immediate risk to persons, property or serious disruption to Council Services. In extreme circumstances it is accepted that prior written approval may not be possible.

Notes

- The previous period reported to GRAC was for the period 9 February 2023 to 25 May 2023
- In that period 2 exemptions were reported to the Committee.
- The next reporting period to GRAC will follow on from the last reporting period.

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GOVERNANCE, RISK & AUDIT COMMITTEE ON 13th JUNE 2023 – OUTCOMES & ACTIONS LIST

MINUTE NO.	AGENDA ITEM AND ACTION	ACTION BY
6	MINUTES	
	<p>ACTIONS</p> <p>DFR to prepare chart/timetable to show annual accounts sign-off schedule for 2020-21, 21-22 and 22-23, to share with Members.</p>	Director for Resources
7	PURCHASE OF TWO ADDITIONAL REFUSE COLLECTION VEHICLES	
	<p>RESOLVED</p> <p>1. To 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>2. To recommend to Full Council that the purchase be funded by borrowing of £335,000 and a revenue contribution of £50,000.</p>	Full Council
8	INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT	
	<p>RESOLVED</p> <p>To receive and note the internal audit progress and progress against internal audit recommendations within the period covered by the report.</p>	GRAC
9	INTERNAL AUDIT ANNUAL REPORT & OPINION 2022/23	
	<p>RESOLVED</p> <p>1. Receive and consider the contents of the Annual Report and Opinion of the Head of Internal Audit.</p> <p>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.</p> <p>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.</p> <p>4. Note the conclusions of the Review of the Effectiveness of Internal Audit.</p>	GRAC

10	Corporate Risk Register	
	RESOLVED To review and note the Corporate Risk Register.	GRAC
11	COUNTER-FRAUD, CORRUPTION AND BRIBERY UPDATE	
	RESOLVED <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. 	GRAC
12	PROCUREMENT EXEMPTIONS REGISTER	
	RESOLVED To note the procurement exemptions.	GRAC

83	PROCUREMENT EXEMPTIONS REGISTER 23 NOVEMBER 22 - 8 FEBRUARY 23	
	RESOLVED To review and note the Procurement Exemptions Register.	GRAC

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GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL WORK PROGRAMME 2023/2024

Date	Topic	Lead Officer	Comments	Cycle
13th June 2023				
	External Audit Plan 2021/22	External Audit		Annual
	Counter-Fraud, Corruption and Bribery Update	Monitoring Officer – Cara Jordan	Policy updated in 2022 – Comment on implementation?	Tri-annual
	Internal Audit Progress & Follow-up Report	Internal Audit – Faye Haywood		Quarterly
	Annual Report/Opinion & Review of the Effectiveness of Internal Audit	Internal Audit – Faye Haywood		Annual
	Procurement Exemptions Register	Monitoring Officer – Cara Jordan	To review Procurement Exemptions	Quarterly
	Corporate Risk Register	Director for Resources – Tina Stankley	To review the corporate risk register	Quarterly
18th July 2023	TBC			
	Annual Accounts Sign-off TBC			
12th Sept 2023				
	Independent Persons Co-option	Monitoring Officer – Cara Jordan	To consider whether to seek appointment of independent persons to the Committee	
	Procurement Exemptions Register	Monitoring Officer – Cara Jordan	To review Procurement Exemptions	Quarterly
	Monitoring Officer's Report	Monitoring Officer – Cara Jordan		Annual
	Internal Audit Progress & Follow-up Report	Internal Audit – Faye Haywood	To include update on historical recommendations	Quarterly
	Corporate Risk Register	Director for Resources – Tina Stankley	To review the corporate risk register	Quarterly
	GRAC Annual Report 2022-23	Committee Officer – Matt Stembrowicz	To review Committee's work over the previous year	Annual
	External Audit Results report 2020/21 TBC	External Audit	If Complete?	Annual
	External Audit Letter 2020/21 TBC	External Audit	If Complete?	Annual
<i>Slipped from June at request of Policy & Performance Manager</i>	AGS 22/23 & Local Code of Corporate Governance	Director for Resources – Tina Stankley	Review & approve AGS & Local Code of Corporate Governance	Annual – scheduled for <u>June</u>

GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL WORK PROGRAMME 2023/2024

Date	Topic	Lead Officer	Comments	Cycle
5th Dec 2023				
<i>Deferred from September</i>	Draft Statement of Accounts 2022/23	Director for Resources – Tina Stankley	To review the draft statement of accounts	Annual
	Corporate Risk Register	Director for Resources – Tina Stankley		Quarterly
	Internal Audit Progress & Follow-up Report	Internal Audit – Faye Haywood	To review progress on internal audit recommendations	Quarterly
	Civil Contingencies Update	Resilience Manager		Annual
	Procurement Exemptions Register	Monitoring Officer – Cara Jordan	To review Procurement Exemptions	Quarterly
	Risk Management Framework	Director for Resources – Tina Stankley	To review the Council's risk management framework	Bi-Annual
26th March 2024				
	Final statement of accounts/ sign-off 2021/22	Director for Resources – Tina Stankley		Annual
	Strategic and annual plans internal audit plan 2023/24	Internal Audit – Faye Haywood		Annual
	GRAC self-assessment	Internal Audit – Faye Haywood		Annual
	Corporate Risk Register	Director for Resources – Tina Stankley	To review the corporate risk register	Quarterly
	Procurement Exemptions Register	Monitoring Officer – Cara Jordan	To review Procurement Exemptions	Quarterly
	Review of Council's Asset Register	Director for Resources – Tina Stankley	To review the number and value of Council assets	Committee Request

GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL WORK PROGRAMME 2023/2024

2024-25				
	Anti-money laundering policy	Internal Audit – Faye Haywood		3 years – Due 2024
	Whistle Blowing Policy	Monitoring Officer – Cara Jordan	To review the updated Whistleblowing Policy	Tri-annual June 2024

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