

Governance, Risk and Audit Committee



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Date Not Specified

A meeting of the **Governance, Risk and Audit Committee** of North Norfolk District Council will be held in the **Committee Room, Council Offices, Holt Road, Cromer, NR27 9EN** on **Tuesday, 10 September 2024** 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: neil.white@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 S Bütikofer, Cllr J Boyle, Cllr S Penfold, Cllr C Cushing, Cllr L Vickers and Cllr A Fletcher

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

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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 9 July 2024.
- 7. GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST** 17 - 20

To monitor progress on items requiring action from the previous meeting, including progress on implementation of audit recommendations.
- 8. LOCAL AUDIT BACKLOG IN ENGLAND** 21 - 22

To receive a verbal update on the local audit backlog in England.
- 9. UPDATE OF OUTSTANDING AUDIT RECOMMENDATIONS** 23 - 30

To consider a report from the Director of Resources on the progress on reducing the number of outstanding Audit recommendations.
- 10. INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT** 31 - 52

To receive a report from the Internal Auditor on Internal Audit Progress & Follow-up Report.
- 11. CORPORATE RISK REGISTER** 53 - 78

To consider a report from the Council's Director of Resources on the Council's Corporate Risk Register.
- 12. ANNUAL GOVERNANCE STATEMENT 23/24 & LOCAL CODE OF** 79 - 100

CORPORATE GOVERNANCE

To consider the Council's Annual Governance Statement for 2023/24 and Local Code of Corporate Governance

13. CHANGES TO LAND CHARGES 101 - 108

To consider a report from the Director of Resources on changes to Land Charges.

14. PROCUREMENT EXEMPTIONS REGISTER 109 - 110

To consider the Procurement Exemptions register.

15. TRAINING NEEDS ASSESSMENT 111 - 118

To consider a report from the Head of Internal Audit on the Committee's Training Needs.

16. GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME 119 - 122

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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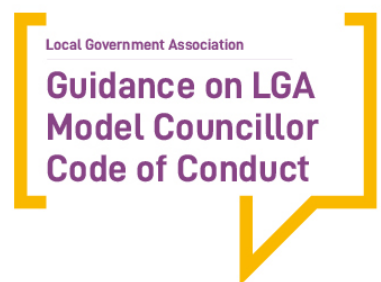
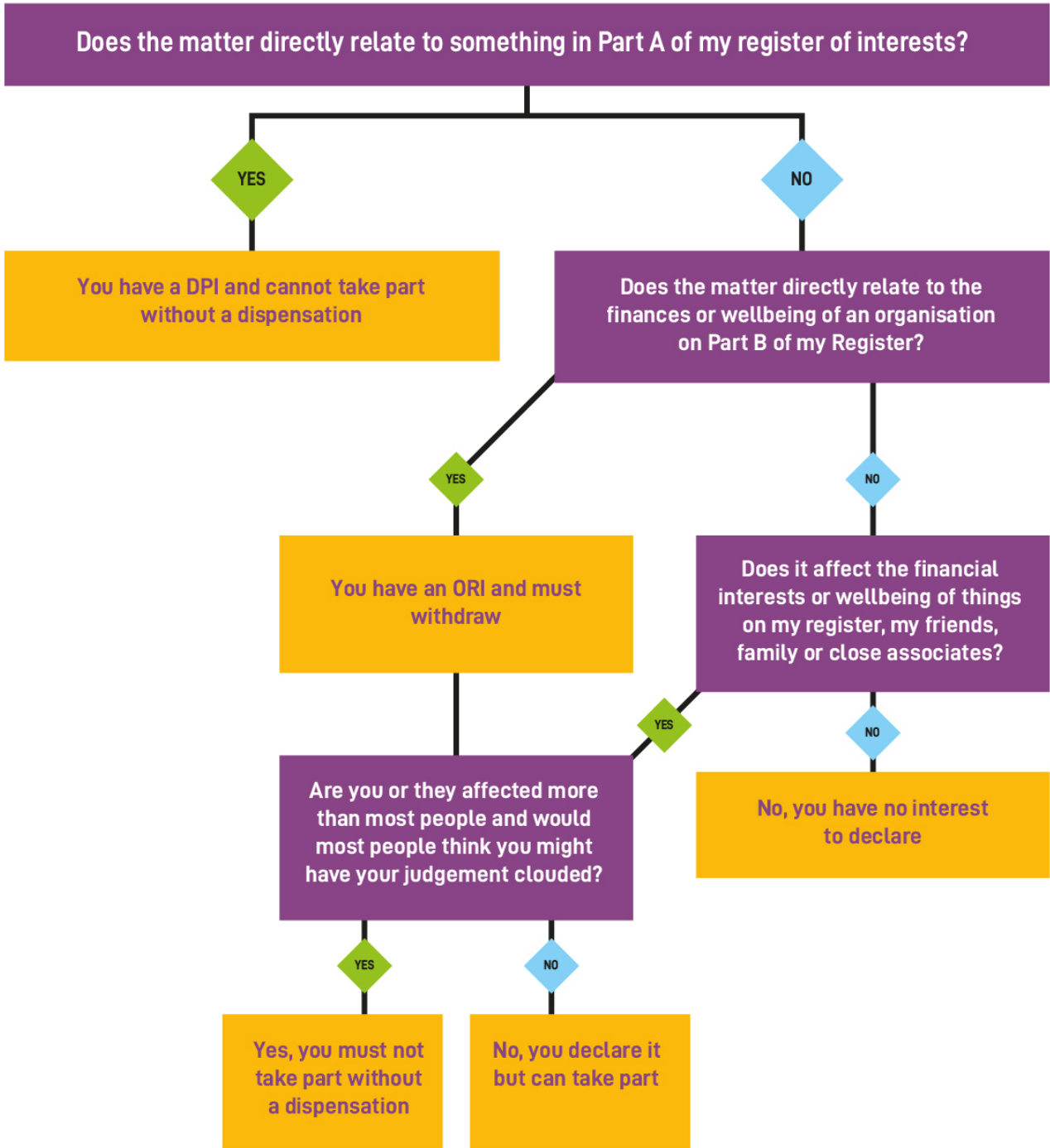
* 'director' includes a member of the committee of management of an industrial and provident society.

* '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

You have a personal interest in any business of your authority where it relates to or is likely to affect:

- 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
 - (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)



GOVERNANCE, RISK AND AUDIT COMMITTEE

Minutes of the meeting of the Governance, Risk and Audit Committee held on Tuesday, 9 July 2024 at the Council Chamber - Council Offices at 2.00 pm

Committee

Members Present:

Cllr S Bütikofer (Chair)	Cllr J Boyle (Vice-Chairman)
Cllr S Penfold	Cllr C Cushing
Cllr L Vickers	Cllr A Fletcher

Members also attending:

Cllr L Shires

Officers in Attendance:

External Auditor, Head of Internal Audit, Director of Resources/S151 Officer, Assistant Director for Finance, Assets, Legal & Monitoring Officer

66 TO RECEIVE APOLOGIES FOR ABSENCE

None received.

67 SUBSTITUTES

None

68 PUBLIC QUESTIONS

None

69 ITEMS OF URGENT BUSINESS

None

70 DECLARATIONS OF INTEREST

None

71 MINUTES

Resolved - the Committee agreed that subject to the removal of the repeated paragraph in Minute 62 Review of Asset Register the minutes be approved as a correct record.

72 EXTERNAL AUDIT INTERIM VFM REPORT FOR 2021/22 AND 2022/23

Councillor Butikofer asked about the national shortage of external auditors that had caused delays to external audits being undertaken and completed at a number of local authorities across the country.

The External Auditor confirmed that there had been a reset in the national Audit market which had resulted in resource constraints leading to delays in

the number of Audits that had been undertaken.

Councillor Penfold asked in respect of the external situation whether the delays in getting the council's accounts completed for 2012/22 and 2022/23 were an outlier or not.

The External Auditor confirmed that there were other local authorities in the same position and that the significant number of authorities that had been affected had resulted in the resetting of the Audit market.

Councillor Bütikofer asked whether the council's staff shortages in the finance department remained and would result in delays in the future.

The Director of Resources (DoR) advised that the council had an interim officer in post who was very experienced in the closure of accounts. The 2020/21 accounts were signed off, the 2021/22 completed and work was ongoing on the 2022/23 accounts, and it was anticipated that the officer would remain until the 2023/24 accounts has been signed off in December.

The DoR added that the Chief Technical Accountant post had been filled by an ex-Auditor from Ernst and Young and would commence work with the Council on July 1st. This made the team fully resourced.

The DoR stated that there would not be an audit of the two outstanding years but an audit of the opening balances to ensure that they are accurate.

Councillor Cushing asked that, bearing in mind that the current financial projections were based on the non-signed off accounts, what element of risk was there from those figures when external audit looked at them.

The DoR advised that the biggest risk was on the opening balances and around the collection fund that was heavily impacted by Covid and the effect of that is only just finishing. The collection fund was millions of pounds so the level of the risk in the estimates would be a small percentage of that but it could be £1m out in deficit or surplus.

Councillor Cushing asked if the work being completed in November would have an effect of the assessment of the council's budget position for 2025/26 and whether as a result the council would need to find additional savings at short notice.

The DoR advised that the council had to submit National Non-Domestic Rates forms to the government which gave a very good picture of where the council was at the year end and for the forthcoming year. The council had sought to reduce the overall risk as far as possible by using external expertise. The council did not have major investments or trading activity that would require substantial adjustments and they were not an overly complex set of accounts which would also reduce the risk.

Councillor Penfold asked if the delays had caused a knock-on effect on the

production of the 2023/24 accounts.

The DoR stated that with the staffing arrangements it was expected that the council would have a set of accounts in the next month or two in advance of the October audit.

Councillor Boyle commented that the council was in a far better position than this time last year and the department should be thanked for their work in getting the council into an improved situation.

Councillor Butifoker stated that the Council was reviewing its procurement strategy and training would be available once it was completed.

Resolved – to note the external auditor interim VFM report for 2021/22 and 2022/23

73 EXTERNAL AUDIT PLAN FOR 2023/24

Councillor Penfold asked whether the migration of data was an electronic or human process and did that affect the risk.

The External Auditor advised that the risk was that the information in the old system is not successfully moved onto a new system. The DoR stated that it was an electronic upload into the new system that was thoroughly checked for the amounts involved and the coding involved that has been completed successfully.

Councillor Butikofer commented that the fees for the auditor's work in completing the external audit included a lot of tbc and was there any guidelines or a range of fess that would give the council a greater indication of the overall cost.

The External Auditor stated that it would be best for the Committee Chair to ask Ernst and Young directly to get a greater explanation of how this would be worked out.

Councillor Butikofer asked whether the General Election had caused delays to the Audit timetable.

The External Auditor advised that it was expected to complete the audit in the original timeframe subject to any changes a new government may make.

Councillor Butikofer sought the committee's agreement and understanding of the materiality and reporting levels set out on page 62 of the agenda.

Councillor Fletcher queried in respect of performance materiality what the factors were that were indicative of pervasive errors and whether there were a number of these errors and why the lower end of 50% had been chosen.

The External Auditor advised that this was partially standard wording and that

there was a drive across local authorities towards 50% rather than 75% and had been based on the level of the Council's opening balances and the reset of the Audit market. On the level of errors that would need further information from Ernst and Young.

Councillor Penfold added that the wording as written implied there may be more problems than existed and the external auditor may wish to reconsider that wording if it is used as a standard across local authorities.

Resolved – that Ernst and Young be asked to provide further information regarding performance materiality by email to the committee members as soon as possible so that the committee following receipt of that information can indicate its understanding of and agreement to the materiality and reporting levels for the 2023/24 External Audit.

74 INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT

Councillor Cushing asked why the Council was not consistently achieving its target timescale for 15 days and what remedial work was being undertaken.

The Head of Internal Audit undertook to provide a detailed response in writing to the committee on this.

Councillor Bütikofer expressed concern at the number of incomplete actions highlighted in the internal audit and wanted to see greater progress being made and an explanation if progress had not been made why that was.

The Head of Internal Audit commented that once an authority's senior management team became involved and pushed for improvements it often achieved better results.

Councillor Penfold commented that there were a number of intended to be completed by and it would be good to get more precise implementation dates.

Councillor Cushing in respect of Post Implementation asked whether the missing functionality in the finance system had been updated.

The DoR advised that there was a fixed asset module that hasn't been implemented yet as it was on a spreadsheet, but the intention was to test it. However, sometimes the amount of work in maintaining the module outweighs the benefit of using it. The budget planner was another module that was being tested as to whether it made the council more efficient.

Councillor Shires pointed out there had been good practice in bringing the software to the council and the IT and Finance departments had worked well to implement it.

Councillor Bütikofer referred to Corporate Project management governance arrangements within this system and asked what the current position was.

The DoR stated that three new management boards had been set up with one to address major projects management that would look to use the project management framework to strengthen the governance arrangements.

Councillor Fletcher asked about the 299 incidents in July and August 2023 that had not met the service level commitment for response and resolution times.

The DoR advised that it may be due to the time of year and members being on leave and if it was service critical would be addressed immediately. Some of the incidents could be minor ones.

Councillor Penfold's asked whether leave was staggered to ensure that there was sufficient coverage during potentially busy periods.

The Assistant Director Legal and Governance stated that that point would be taken back to the IT team. The report was for reasonable assurance, so it did suggest that was no major critical incidents involved.

Councillor Cushing asked whether for Income the access to the mail room for ex-employees had been closed down.

The DoR stated that access to that room was regularly assessed and the process for employees leaving the organisation had been strengthened.

Councillor Cushing in respect of Accountancy Services asked whether the authorisation for short term investments had been addressed. The DoR advised that it had.

Councillor Fletcher in respect of property services asked if the outstanding statement from Flagship Housing had been obtained.

It was agreed that a written response would be provided.

Councillor Cushing in respect of Civil Contingencies and Business Continuity asked if the review of the outstanding plan had been completed.

The DoR stated that workshops on the plan were being run over the next couple of weeks and the deadline had been extended to the end of July.

Councillor Fletcher asked if the deadline of 30 June 2024 had been achieved for the council to receive its income from Penalty Charge notices.

The DoR advised that the issue was sometimes getting the information from Kings Lynn and West Norfolk Council. There was currently a service review ongoing that would look at this issue.

Resolved – that the Committee Chair on behalf of the Committee write

to the Chief Executive asking for the Council's Corporate Leadership Team to address the issue of the outstanding recommendations so that

(A) a further report be submitted to the committee meeting on 10 September 2024 showing progress on each of the recommendations, and

(B) Where there has been no progress the relevant senior officer be present at the meeting to answer questions as to why no progress has been made.

75 HEAD OF INTERNAL AUDIT'S ANNUAL OPINION REPORT 2023-24

Councillor Cushing asked how the Council's Audit performance ranked in comparison to the other local authorities that the Auditor undertook audits for.

The Head of Internal Audit stated that the Council was in the middle, there were other Councils who had more positive opinions whilst other Councils had more limited opinions. Councils were working towards reducing their outstanding Audit recommendations down to 50 although there were a couple who were down to 25.

Resolved – the Committee considered the contents of the Annual Opinion Report of the Head of Internal Audit and noted

(A) that a reasonable / limited audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2024.

(B) 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 2023/24.

(C) the outcomes of the Internal Audit's performance measures and the Quality Assurance and Improvement Programme

76 GRAC SELF-ASSESSMENT

Councillor Butikofer asked whether there had been a sufficient enough response to the self-assessment forms to create a workable action plan.

The Head of Internal Audit advised that where there hadn't been a 5 score in the assessment an action had been created in the proposed action plan for the committee to follow.

The Committee agreed to accept the action plan.

Resolved – that

(A) the final scores for the first tool assessment, the ‘Self-assessment of good practice’ be noted,

(B) the second tool assessment, ‘Evaluating the impact and effectiveness of the audit committee’ be noted, and

(C) the proposed action plan be approved.

77 CORPORATE RISK REGISTER

Councillor Butikofer queried why Risk CR 026 Impact of Economic fluctuations on the North Norfolk economy had been removed from the risk register at the last meeting.

Councillor Cushing suggested it was an assumption not a risk and that was why it had been removed. The Committee considered if the council received a multiyear funding agreement from the Government it would enable the council to mitigate it against and felt it was more of a risk rather than assumption and should be added back into the register.

Councillor Cushing queried in respect of CR037 cost and resources issues from prosecutions, enforcement action and litigation what the enormous overspends to budgets were.

The Director of Resources (DoR) advised that when the Council decided to take enforcement action the costs of that action and any possible subsequent legal action were not completely known or budgeted for which could result in a large overspend on a small budget.

The Assistant Director Legal and Governance stated that the council dealt with health and safety prosecutions that are often long processes with increasing levels of cost which are different to smaller, quicker enforcement action.

The Committee agreed that it would like more information on this to better understand the reasons.

Councillor Cushing asked whether CR024 People Resources bearing in mind the External Auditor’s comments on the Finance department should be a higher score than shown.

The DoR considered it could be scored more highly as the council did have some recruitment issues and it would be reviewed in the register for the next committee meeting.

Councillor Cushing asked whether CR035 Failure to deliver the Local Plan should be marked as green with the effect that Nutrient Neutrality has had on

the amount of new development in the district.

The Committee agreed that it would like more information on the rating to consider whether the rating needed amending.

Councillor Cushing commented on CR032 Fakenham new roundabout that as the council had yet to receive the funding for this work and it was due to start in September it didn't look like it should be green at the moment.

The DoR advised that circumstances could have changed since the report was written and the score needed to be reviewed.

Councillor Bütikofer questioned as the work on the North Walsham High Street in CR033 was finished that it should be removed. The Committee agreed that it should be removed.

The DoR suggested that a risk could be added to the register that covered the damage caused to the Council's assets including buildings and outdoor spaces by climate change.

The Committee agreed that at this stage it wasn't needed as a general risk and could be contained in the risk for the Cromer and Mundesley Coastal Management Schemes.

Councillor Cushing stated that in respect of CR038 Fakenham Leisure and Sports Hub and the delays in getting the government funding for this scheme which has been worse by the general election the rating needed to be rewritten to include the funding as well as the timeline.

The Committee agreed that this should be reviewed.

Resolved – that

(A) that risk CR 026 Impact of Economic fluctuations on the North Norfolk economy be added back into the Corporate Risk Register

(B) more information be provided on CR037 cost and resources issues from prosecutions, enforcement action and litigation

(C) CR024 People Resources be reviewed,

(D) more information be provided on CR035 failure to deliver the Local Plan,

(E) CR032 Fakenham new roundabout be reviewed,

(F) CR033 North Walsham High Street Heritage Action Zone be removed,

(G) CR038 Fakenham Leisure and Sports Hub be reviewed.

The Assistant Director Legal and Governance introduced the report and informed Members that there had been four exemptions between 8 March 2024 and 10 June 2024 which were outlined in the report.

Resolved – that the procurement exemptions be noted.

79 APPOINTMENT OF AN INDEPENDENT MEMBER

The Assistant Director Legal and Governance (ADLG) reminded the committee that it was not yet law, but it had previously indicated that it would like an independent person to be on the committee. Another Norfolk local authority had been approached as to whether it was possible to share their independent person but that had proved to be unsuccessful.

The ADLG added that it might be worth exploring with the other Norfolk local authorities whether it could be possible to create a shared pool of independent persons that would give greater resilience to all the authorities.

The Committee agreed that the independent person should have the relevant expertise and also has some knowledge of North Norfolk. Any interview process should involve a cross party representation of Councillors.

The ADLG confirmed that if it was not possible to get a shared approach the council would move ahead with recruiting an independent person.

Resolved – that if it was not possible to get a shared approach with the other Norfolk local authorities the council would move ahead as soon as possible with recruiting an independent person to the committee.

80 GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST

The Democratic Services Officer (Scrutiny) reported that there were no outstanding actions from the committee meeting on 26 March 2024.

81 GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME

The Democratic Services Officer (Scrutiny) (DSO) advised that the future work programme consisted of the reports that regularly came to the committee. However, the action plan from the GRAC Self-assessment exercise recommended that the committee should review what items it considered at its meetings.

The Committee considered this was a good idea and that suggestions for possible items be made in time for them to be considered at the committee's next meeting.

Resolved – that committee members send potential future committee items to the Democratic Services Officer (Scrutiny) so that they can be added into a list for consideration at the committee meeting on 10

September 2024.

The meeting ended at 3.55 pm.

Chairman

GOVERNANCE, RISK & AUDIT COMMITTEE ON 9 JULY 2024 – OUTCOMES & ACTIONS LIST

MINUTE NO.	AGENDA ITEM AND ACTION	ACTION
72	EXTERNAL AUDIT INTERIM VFM REPORT FOR 2021/22 AND 2022/23	
	RESOLVED - that the report be noted	GRAC
73	EXTERNAL AUDIT PLAN FOR 2023/24	
	RESOLVED - that Ernst and Young be asked to provide further information regarding performance materiality by email to the committee members as soon as possible so that the committee, following receipt of that information, can indicate its understanding of and agreement to the materiality and reporting levels for the 2023/24 External Audit.	E&Y
74	INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT	
	<p>RESOLVED - that Resolved – that (A) the Committee Chair on behalf of the Committee write to the Chief Executive asking for the Council’s Corporate Leadership Team to address the issue of the outstanding recommendations so that</p> <p>(1) a further report be submitted to the committee meeting on 10 September 2024 showing progress on each of the recommendations, and</p> <p>(2) Where there has been no progress the relevant senior officer be present at the meeting to answer questions as to why no progress has been made,</p> <p>(B) the committee receive a written response on why the Council was not consistently achieving its target timescale for 15 days for responding to complaints and what remedial work was being undertaken, and</p> <p>(C) the committee receive a written response on whether the outstanding statement from Flagship Housing for 25 Reeves Court, North Walsham had been obtained.</p>	GRAC CEX
75	HEAD OF INTERNAL AUDIT’S ANNUAL OPINION REPORT 2023-24	
	RESOLVED - that the Committee considered the contents of the Annual Opinion Report of the Head of Internal Audit and noted	GRAC DoR

	<p>(A) that a reasonable / limited audit opinion has been given in relation to the framework of governance, risk management and control for the year ended 31 March 2024.</p> <p>(B) 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 2023/24.</p> <p>(C) the outcomes of the Internal Audit’s performance measures and the Quality Assurance and Improvement Programme</p>	
76	GRAC SELF-ASSESSMENT	
	<p>RESOLVED - that (A) the final scores for the first tool assessment, the ‘Self-assessment of good practice’ be noted,</p> <p>(B) the second tool assessment, ‘Evaluating the impact and effectiveness of the audit committee’ be noted, and</p> <p>(C) the proposed action plan be approved.</p>	GRAC
77	CORPORATE RISK REGISTER	
	<p>RESOLVED - that Resolved – that</p> <p>(A) that risk CR 026 Impact of Economic fluctuations on the North Norfolk economy be added back into the Corporate Risk Register,</p> <p>(B) more information be provided on CR037 cost and resources issues from prosecutions, enforcement action and litigation,</p> <p>(C) CR024 People Resources rating be reviewed,</p> <p>(D) more information be provided on CR035 failure to deliver the Local Plan,</p> <p>(E) CR032 Fakenham new roundabout rating be reviewed,</p> <p>(F) CR033 North Walsham High Street Heritage Action Zone be removed, and</p> <p>(G) CR038 Fakenham Leisure and Sports Hub risk be reviewed.</p>	DoR
78	PROCUREMENT EXEMPTIONS REGISTER	
	RESOLVED - that the procurement exemptions be noted.	GRAC

79	APPOINTMENT OF AN INDEPENDENT MEMBER	
	RESOLVED - that if it was not possible to get a shared approach with the other Norfolk local authorities the council would move ahead as soon as possible with recruiting an independent person to the committee.	ADL&G
81	GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME	
	RESOLVED - that committee members send potential future committee items to the Democratic Services Officer (Scrutiny) so that they can be added into a list for consideration at the committee meeting on 10 September 2024.	DSO GRAC

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Ministry of Housing, Communities & Local Government

Jim McMahon OBE MP

Minister of State
2 Marsham Street
London
SW1P 4DF

To All Chief Executives, Chief
Financial Officers, Local Authority
Leaders and Local Audit Firm Partners

30 July 2024

Dear all,

ACTION TO TACKLE THE LOCAL AUDIT BACKLOG IN ENGLAND

I am writing to you today to inform you that I have, today, provided Parliament with a written update on the decisive action I have taken to tackle the local audit backlog in England. The statement can be found here: <https://questions-statements.parliament.uk/written-statements/detail/2024-07-30/hcws46>.

Effective local audit ensures transparency and accountability for public money spent on these vital services and builds public confidence. The Government inherited a broken local audit system in England, with a significant and unacceptable backlog of unaudited accounts, which will likely rise again to around 1,000 later this year. This situation undermines trust and transparency in the way taxpayers' money is being spent. The delays that were seen under the last government mean that local bodies and their auditors cannot focus on up-to-date accounts, where assurance is most valuable.

To tackle the backlog, I intend to lay secondary legislation when parliamentary time allows to provide for an initial backstop date of 13 December 2024 for financial years (FYs) up to and including 2022/23 and five subsequent backstop dates:

Financial Year	Backstop date
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

Subject to parliamentary approval, for financial years 2024/25 to 2027/28, the date by which local bodies should publish 'draft' (unaudited) accounts will change from 31 May to 30 June following the financial year to which they relate. This will give those preparing accounts more time to ensure they are high-quality accounts. A new suite of guidance is planned by the NAO and Financial Reporting Council (FRC) on these measures, and we continue to work with other organisations to consider what guidance would be most constructive and helpful for local bodies.

We expect that there will be full assurance, with “clean” opinions for many bodies by the first backstop date of 13 December 2024. However, due to the time constraints, auditors are likely to issue ‘disclaimed’ audit opinions (no assurance) on many accounts – early indications are that this could be several hundred in this first phase which may, in the short term, cause additional concern. I recognise that aspects of these proposals are uncomfortable, however, given the scale of the failure in the local audit system the Government inherited meant that we have had to take this difficult decision to proceed. Without this action by the Government, audits would continue to be delayed and the system will move even further away from timely assurance.

The Ministry will continue to work with the FRC and other key organisations across the local audit sector to support local bodies, auditors and the wider world to understand what the different types of modified opinions mean. As I set out in my statement, local bodies should not be unfairly judged based on disclaimed or modified opinions caused by the introduction of backstop dates that are largely beyond their control and auditors will be expected to clearly set out the reasons for the issuing of such opinions to mitigate the potential reputational risk that local bodies may face.

The Government will communicate the necessity of these steps and emphasise the context for modified or disclaimed opinions and all the key organisations. This will include some Q&A drop-in sessions followed by a webinar. Dates and invitations for these will be circulated shortly, and I hope you will all be able to attend to hear directly about the measures.

I recognise the commitment and hard work of all your finance teams to continue and strengthen their essential work to produce high quality accounts in a timely manner. I also recognise the commitment and hard work of auditors working to provide quality external assurance, as we move to restore a system of high-quality, timely financial reporting and audit, while managing the impact of this in a sustainable way.

It is my aspiration, and one I know is also supported by all the key organisations in the audit world, that it is in the public interest for the audit system for local public bodies in England to recover as quickly as possible once the backlog has been cleared. This means disclaimed opinions driven by backstop dates should in most cases be limited to the next two years (up to and including the 2024/25 backstop date of 27 February 2026), with only a small number of exceptional cases, due to specific individual circumstances, continuing thereafter.

This action to tackle the backlog, while vital, does not provide a long-term, sustainable solution to the wider, broken local audit system. The Government will need to undertake significant reform to overhaul the system, as we committed to in our manifesto. This will allow us to get the house in order, open the books, and repair the foundations of local government, and I will work with partners over the coming months to explore how best to achieve this.

Finally, I know the hard work is often unseen and too often not acknowledged, can I ask that you relay my appreciation to finance teams, key audit partners and others for the work they have done so far in what has been an extremely demanding period, and for the work they will do in the coming months and years.



Jim McMahon OBE MP

PROGRESS ON REDUCING THE NUMBER OF OUTSTANDING AUDIT RECOMMENDATIONS	
Executive Summary	<p>At the last GRAC meeting (9 July 2024) a report was presented by the Head of Internal Audit on the progress with the 2023/24 Internal audit Plan and outstanding recommendations.</p> <p>The Committee were concerned with the number of outstanding recommendations and particularly by the age of some of the outstanding recommendations. The Chair asked for an update on the position at the next meeting i.e. 10 September meeting.</p> <p>As at 2 September 2024 of the 39 recommendations that were reported to Members in July 19 remain outstanding; 8 are in progress and 12 are completed. It should be noted that of the outstanding ones there are 7 where an update has not been provided as the officer is on leave. A verbal update will be provided at the meeting where this is the case.</p>
Options considered	None – this is a statement for review and to note.
Consultation(s)	None
Recommendations	Members are asked to review and note the latest position as at 10 September 2024
Reasons for recommendations	To strengthen the Council's governance arrangements.
Background papers	None

Wards affected	All
Cabinet member(s)	Cllr Adams and Cllr Shires
Contact Officer	Tina Stankley Director of Resources 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)	None
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	Internal Audit Quarterly Report to Governance, Risk and Audit Committee.

1. Purpose of the report

- 1.1 Attached to this report is the latest position as at 2 September 2024 on the outstanding internal audit recommendations. At the last GRAC meeting (9 July 2024) a report was presented by the Head of Internal Audit on the progress with the 2023/24 Internal audit Plan and outstanding recommendations. There were 41 recommendations outstanding some going back several years.
- 1.2 The Committee were concerned with the number of outstanding recommendations and particularly by the age of some of the outstanding recommendations. The Chair asked for an update on the position at the next meeting i.e. 10 September meeting.

2. Updated on the progress being made with implementing the outstanding audit recommendations.

- 2.1 As at 2 September 2024 of the 39 recommendations that were reported to Members in July 19 remain outstanding; 8 are in progress and 12 are completed. It should be noted that of the outstanding ones there are 7 where an update has not been provided as the officer is on leave. A verbal update will be provided at the meeting where this is the case.
- 2.2 Prompt implementation of audit recommendations is a fundamental element in having strong governance in place within the organisation. The Head of Internal Audit (HIA) gave an annual opinion of reasonable/limited assurance. This is a deteriorated position when compared with 2022/23. The slow and tardy implementation of some recommendations would have been taken into account by the HIA when formulating her opinion. The worsening opinion of the HIA is a concerning outcome for the Corporate Leadership, and an improvement plan is being put in place to address her findings.
- 2.3 Therefore the Corporate Leadership Team or the Performance and Productivity Oversight Board will review outstanding recommendations monthly and intervene where it appears that no action is being taken by managers to implement recommendations, Also, draft audit reports will be

reviewed so that it has an awareness of the weaknesses that have been identified and need addressing.

- 2.4 The report presenting the Annual Governance Statement is also an agenda item on this agenda and it again discusses the number of outstanding audit recommendations.

3. Number of outstanding audit recommendations

- 3.1 Officers were asked to provide an update on the status of the implementation of the outstanding audit recommendations with the deadline for comment being 2 September 2024 following the last GRAC meeting.
- 3.2 As at 2 September 2024 of the 39 recommendations that were reported to Members in July 19 remain outstanding; 8 are in progress and 12 are completed. It should be noted that of the outstanding ones there are 7 where an update has not been provided as the officer is on leave. A verbal update will be provided at the meeting where this is the case.
- 3.3 Some of the recommendations had already been implemented but the status had not been updated, which did to some extent provide some assurance, but it was also concerning that the status had not been updated properly.
- 3.4 The area of greatest concern has to be with the progress with the implementation of the improvements to the Council's financial system. The Council will soon be 2 years on from having implemented the new system and progress in addressing all the unresolved issues has been slow. This has largely been down to the lack of resource within the Finance Team. However a key post was filled at the beginning of July and it is expected that the Team will now be able to start to address the issues and develop the system.
- 3.5 Officers will continue to report to GRAC on the progress in implementing outstanding audit recommendations.

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

Implementing the outstanding audit recommendations has both a direct and indirect impact on the Council's finances and resources. Some will help in ensuring the Council maximises its income and some will reduce the risk of fraud.

Comments from the S151 Officer

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

Legal Implications

Comments from the Monitoring Officer

This is the Annual Governance Statement detailing how the Council conducts its business in accordance with the law and necessary standards.

6. Risks

- 6.1 These are covered in the Appendix for each outstanding recommendation.

7. Net Zero Target

- 7.1 No specific Net Zero considerations

8. Equality, Diversity & Inclusion

- 8.1 No particular considerations

9. Community Safety issues

- 9.1 None

10. Conclusion and Recommendations

- 10.1 Officers will introduce an improvement and monitoring plan to ensure that the number of outstanding audit recommendations is kept to a minimum and that it is only those that are recently recommended.

- 10.2 **Members are asked to review and note the report.**

ID	Job	Year	Risk Area	Recommendation	Priority	Management Comments	Responsible Officers Name - use the filter to find your recommendations then scroll right to the green boxes	Responsible Officer	Due Date	Revised Due Date	Status	Date Last Updated by lead officer	Latest comment made by responsible officer	Response given in July 2024	Response given March 2024
244621	NN2009 - Planning Applications and Development Management	2019	Compliance Risk	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. Rationale and risk: Reviewing the fees and target times will help to ensure that these are aligned so that the fee income is sufficient to fund the service to the level required in order to meet the targets. If the service is not reviewed, there is a risk that the Council will fail to deliver on the level of service that is advertised on its website.	2	Agreed, but to be actioned post go-live of UNIFORM system. NNDC customer satisfaction survey to correlate with review of Pre-application advice service. This will commence on 1st July 2020, to complete by 31st October 2020.	Russell Williams/ Geoff Lyon	Head of Planning and Development Manager	31/10/2020	30/09/2024	Outstanding	30/08/2024	A draft of the next Service has been produced and is being discussed with a group of 'developers / agents' in July prior to reporting it to Development Committee in August 2024 and for the related fee schedule to be submitted for Council discussion / agreement in September 2024 - with a view to the new system being introduced from October 2024.	A draft of the next Service has been produced and is being discussed with a group of 'developers / agents' in July prior to reporting it to Development Committee in August 2024 and for the related fee schedule to be submitted for Council discussion / agreement in September 2024 - with a view to the new system being introduced from October 2024.	A new 'Pre-Application Service' is being designed, with input from the council's Agents and Developers Forum. Consultation on an initial proposal started in early May 2024. The new proposal will include a new fee regime - which it is intended to take to Council in July 2024 - with the new system being introduced from 1st September 2024. Delivery against the new Service will be monitored within a new suite of Performance Indicators that are being devised for Planning.
262626	21/22 NN2202 Key Controls and Assurance	2021	Compliance Risk	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 Council of Kings Lynn & West Norfolk and this can be clearly evidenced. Risk – All income from PCN due to the NNDC by BCKL&WN, as per the terms of the contract, may not be received, leading to financial loss (to NNDC).	2	As per the Group Accountant - 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. Looking into how we could independently verify this information is something that we would be prepared to do, however it is not something that we would have the capacity to take on in the short to medium term. Based on this, at this moment in time, the Council has to accept the associated risk. This is the first time this recommendation has appeared despite the current process being in place for a number of years. Audit Comment – We acknowledge management's comments although do consider that the stated risk remains.	Tina Stankley out down as responsible officer for the September GRAC meeting. It had N/A previously.	Director of Resources	25/05/2022	30/06/2024	Outstanding	02/09/2024	This is something we should be able to do by asking KL&WN for information on the number of PCNs issued and then the number cancelled, the number outstanding etc and then the remaining should equate to the number for which we've received income and then the income transferred should equate to the element we receive. If KL&WN are transferring income they must be doing a calculation. So in the new SLA/contract if we renew it we will ask for this to be an open book exercise.		"This has not progressed. However in December we were successful in recruiting in a previously vacant Accountancy Assistant and with this resource we can hopefully develop a reconciliation process. I suggest that a new deliverable date is 30/06/2024 (allowing for 'Year-end closure")
260418	21/22 NN2213 Waste Management	2021	Directed Risk	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. Risk: These is an increased risk that issues with the contract or disputes between the three member Authorities may not be resolved in the best interests of NNDC.	2	Agreed that the Inter Authority Agreement should be updated to reflect the operational phase of the contract.	Steve Hems	Director of Communities	29/07/2022	31/10/2024	Outstanding	30/08/2024	Senior Officers from the three authorities have met recently to discuss issues relating to the contract. The Inter Authority Agreement was discussed with BKL&WN during this meeting and the Senior Officer has taken the issue back to his authority in order to try to move this forward.	Performance within the Serco customer contact centre has continued to see improvements. The high workload and staff shortages within the team over the last few months has meant it has not yet been possible to further implement a complaint monitoring system as had been intended. With the team now back to full strength, it is hoped this will be progressed within the next few months. Due date has therefore been updated to end March 2024.	The drafting of the revision to the Inter Authority Agreement has been completed and wording agreed with Eastlaw. The revised agreement has not yet been agreed by the three councils, due to other priorities in the waste contract associated with the round and route re-optimisation and ongoing commercial matters discussions with Serco. Officers will look to progress this as soon as the issues outlined above have been resolved.
260419	21/22 NN2213 Waste Management	2021	Compliance Risk	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. Risk: If complaints are not effectively dealt with, there is a risk that residents become dissatisfied with the service, leading to reputational damage to the Council.	2	Agreed. This will need the agreement of all three Councils party to the contract.	Emily Capps	Environmental Services Manager	29/07/2022	31/03/2025	In progress	30/08/2024	Serco have made a number of changes to their supervisory structure within the contract. This is seeing improvements across all aspects of supervision and there is evidence to suggest that complaint handling is beginning to improve. The reporting into Contract Management Board is recording the number of complaints but further work is required to ensure that the reporting complies with the audit recommendation. Officers will continue to monitor this but it is expected that improvements will continue over future cycles of the Contract Management Board. Officers from the Environmental Services Team continue to have direct interventions with customers and Serco to ensure that satisfactory outcomes are achieved and that the reputation of the Council is maintained.	Performance within the Serco customer contact centre has continued to see improvements. The high workload and staff shortages within the team over the last few months has meant it has not yet been possible to further implement a complaint monitoring system as had been intended. With the team now back to full strength, it is hoped this will be progressed within the next few months. Due date has therefore been updated to end March 2025.	Performance within the Serco customer contact centre has continued to see improvements. The high workload and staff shortages within the team over the last few months has meant it has not yet been possible to further implement a complaint monitoring system as had been intended. With the team now back to full strength, it is hoped this will be progressed within the next few months. Due date has therefore been updated to end March 2024.
260137	21/22 NN2214 Environmental Health	2021	Compliance Risk	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. Risk: Without a regular reconciliation, there is a risk that fees due have not been correctly accounted for or not received, leading to a loss of income to the Council.	2	Meeting with Northgate 20/10/21 and 10/11/21. No timescale has been given to resolve the issue of inaccurate data being reported from the system however the Admin Team Leader is accelerating this issue for resolution with the Company. Accountant reliant on accuracy of Assure reporting to match no. of licences to income being received or expected. Registers critical impact on this activity. Identify underpayments, annual fees etc. Crystal Reports. Integrity of data issues with Northgate being reported directly to Northgate. Issue dates of licences seem to be a significant issue in the inaccurate data.	Emily Capps	Environmental Services Manager and Public Protection & Commercial Manager	30/06/2022	31/10/2024	In progress	29/08/2024	The team are still progressing this with Sundry Income and are aware of the importance of chasing the non-payment.	A new process has now been implemented of invoicing for premise licenses through the NNDC finance team. Invoices are being sent out monthly, and a record of paid invoices is being sent to the EH department. Reconciliation work has been undertaken to review all outstanding fees. There is one further step required before this recommendation can be signed off. That is to implement a process for chasing the non-payment of invoices as this may lead to the revocation of licenses and we must establish the enforcement process for this element. It is felt that this next step will be achieved by Oct 2024.	The recommendation is not yet complete. We have made further progress with establishing a new system for managing licensing fee income due and reconciling this information between the Licensing database and finance systems. It is anticipated that this system will be implemented by November for all 'new' annual fees due from that point. We have contacted licence holders with potentially outstanding historical fees and requested that either payment is made or evidence of historic payment is provided (to account for income received that was not able to be reconciled with a specific licence holder in the database). There is still further work to be completed on both aspects of this recommendation, but anticipate this will be completed by March 2024. As noted in previous updates, this is a resource intensive exercise and will require additional staffing support to enable completion within the timescales suggested.
271349	22/23 NN2302 Key Controls and Assurance	2022	Directed Risk	Management to ensure that:- All issues and emerging themes identified in the Self-Assessment process are captured in the Action Plan;- There is a clear reference from Self-Assessment findings to issues raised in the Action Plan, with each Action Plan issue having a consecutive reference number. - Each Action Plan entry has a target date and owner clearly stated. Risk: Not all issues identified in self-assessment assurance statements captured in the AGS Action Plan and thus will not be addressed.	2	Agreed.	Tina Stankley	Director for Resources	31/12/2023		Completed	02/09/2024	The AGS for 2023/24 has been completed and the Action Plan contains target completion dates. This will be reviewed by the Performance and Productivity Oversight Board and CLT on a regular basis to make sure that actions are completed.		
271350	22/23 NN2302 Key Controls and Assurance	2022	Directed Risk	Management to ensure that future Annual Governance Statements provide clear visibility of the overall governance position of the Council. For example: - all significant issues arising during the year should be detailed in the "Governance Issues" section, with clear reference to the Action Plan; - all Action Plan issues should be supported by detail in the Governance Issues section; - progress on previous years' Action Plan issues should be reported. Risk: Annual Governance Statement may not give a clear, concise position of the Council's governance position.	2	Agreed.	Tina Stankley	Director for Resources	31/12/2023		Completed	02/09/2024	The AGS for 2023/24 has been completed and the Action Plan contains target completion dates. This will be reviewed by the Performance and Productivity Oversight Board and CLT on a regular basis to make sure that actions are completed.		
271353	22/23 NN2302 Key Controls and Assurance	2022	Directed Risk	Management to investigate the potential for new reports to be developed from the new Finance system detailing number of debts by age category, and value/number by department, to enhance the focussed review of old debt. Risk: Ineffective oversight of the Council's sundry debtors.	2	Agreed.	Tina Stankley	Director for Resources	31/12/2023	31/03/2024	Outstanding	02/09/2024	The officer I need an update from is on leave and so I am not available to provide update. A verbal update will be given at the meeting - DoR		The new reports are being updated by IT and will be live by the end of March 2024.

271354	22/23 NN2302 Key Controls and Assurance	2022 Directed Risk	To investigate the purchase order interface on the finance system with the system provider to rectify property service orders being raised and authorised by the same user. Risk: Purchase orders being raised without appropriate segregation of duties, resulting in unauthorised purchases being processed.	2	Agreed.	Tina Stankley	Director for Resources	31/12/2023	Completed	02/09/2024	There is now an appropriate segregation of duties in place.		
271355	22/23 NN2302 Key Controls and Assurance	2022 Directed Risk	Management to: - ensure that car park ticket machine income records and cash collected are reconciled monthly with any discrepancies promptly and thoroughly investigated;- review arrangements for ensuring the Council receives all income due from Penalty Charge Notices including, if needs be, the future provision of the service. If outsourcing is considered the most appropriate method, a method of independent verification of the income received should be contractually agreed with the current / future service provider, to facilitate the requisite levels of detail to provide the required assurances. Risk: Not all car park income, from Penalty Charge Notices, is actually received by the Council. Additionally, not all income for all car parking received, is correctly accounted for.	2	Agreed.	Tina Stankley	Director for Resources	31/12/2023	31/03/2025 Outstanding	02/09/2024	A reconciliation takes place but there are issues with obtaining the information from the service provider at times. However this has improved. The outsourced contract is currently being reviewed and a new arrangement will begin from 1 April 2025. This may be an in-house arrangement or a third party provider as we now have. The SLA/contract will be tighter around requirement for information and due dates for receiving this and timeframes for responses to queries we raise.		
271356	22/23 NN2302 Key Controls and Assurance	2022 Directed Risk	Management to ensure that:- access to make changes to the fixed asset register is restricted to necessary employees;- the appropriateness of using the Fixed Asset Module on the new Finance system is investigated as a replacement for the current spreadsheet. Risk: Unauthorised amendments to the Fixed Asset Register could occur.	3	Agreed.	Tina Stankley	Director for Resources	31/12/2023	28/02/2025 Completed	02/09/2024	A password has been in place for this for some time now. The Fixed Assets module will be looked at and a decision on whether it will be made after this. The revised completion date will be to implement the fixed assets module by. If I decide not to use it the recommendation can be closed.		
265735	22/23 NN2303 Corporate Health and Safety	2022 Directed Risk	Review and update the Health and Safety Policy and Handbook, and associated procedures. Risk: Staff not understanding health and safety requirements and working in an unsafe manner leading to harm or injury.	3	Agreed an update is required.	Emily Capps	Assistant Director Environmental and Leisure Services	31/03/2023	30/09/2024 in progress	29/08/2024	Due to go on CLT agenda in September, draft version completed	An update version of the Health and safety Policy will be present at CLT in September 2024.	Meetings have taken place about the importance of getting this document through to CLT and implementing it at a corporate level. Assurances this is being looked at have been given.
265736	22/23 NN2303 Corporate Health and Safety	2022 Directed Risk	Terms of Reference to be written for the Health and Safety Coordinators Group. Risk: The group is ineffective due to lack of clarity over its purpose and meetings, leading to inconsistent ways of working.	3	Terms of reference will be drafted for the group to give a clear focus and remit for work undertaken.	Alun Lane	Corporate Health and Safety Officer	31/03/2023	30/09/2024 In progress	29/08/2024	Due to go on CLT agenda in Septmeber, draft version completed	Meetings have taken place about the importance of getting this document through to CLT and implementing it at a corporate level. Assurances this is being looked at have been given.	Meetings have taken place about the importance of getting this document through to CLT and implementing it at a corporate level. Assurances this is being looked at have been given.
265737	22/23 NN2303 Corporate Health and Safety	2022 Directed Risk	Incomplete training to be followed up through service managers and Health and Safety Coordinators, to ensure that all staff have completed the mandatory health and safety training courses. Risk: Staff not understanding health and safety requirements and working in an unsafe manner and consequent risk of injury.	3	Agreed - Training to be completed and recorded.	Alun Lane	Corporate Health and Safety Officer	31/03/2023	30/09/2024 In progress	29/08/2024	Due to go on CLT agenda in September, draft version completed	The Skillgate LMS traffic light system has now gone live and a meeting was held with HR and Corporate H&S. Corporate H&S are going to evaluate the suite of courses available and assign to different departments specific skill sets and refresher timescales. Now that this system is live the implementation of organisation wide H&S compliance can be facilitated.	The Skillgate LMS traffic light system has now gone live and a meeting was held with HR and Corporate H&S. Corporate H&S are going to evaluate the suite of courses available and assign to different departments specific skill sets and refresher timescales. Now that this system is live the implementation of organisation wide H&S compliance can be facilitated.
265738	22/23 NN2303 Corporate Health and Safety	2022 Directed Risk	Review the health and safety training that is offered and provide additional training where this is appropriate for different roles and levels of responsibility. Risk: Managers are unaware of their additional responsibilities in respect of health and safety, leading to injuries and incidents not being dealt with correctly.	3	Agreed - Training of the appropriate level is required throughout the organisation, explore options including ISOH managing safely or equivalent.	Emily Capps	Assistant Director Environmental and Leisure Services	31/03/2023	30/09/2024 In progress	29/08/2024	Due to go on the CLT agenda in September	Review held. The Health and Safety Officer has been delivering in-house IOSH training "Managing Safely". This has provided training at appropriate levels for service managers within the Council. There is a rolling programme of this training planned throughout the year which is widely advertised. The evaluation of Skillgate courses is still outstanding. Responsibility for completing the work on this recommendation should be transferred to the Corporate Health and Safety Officer.	The Skillgate LMS traffic light system has now gone live and a meeting was held with Corporate H&S and HR. Corporate H&S are going to evaluate the suite of courses available and assign to different departments specific skill sets and refresher timescales. Now that this system is live the implementation of organisation wide H&S compliance can be facilitated.
265739	22/23 NN2303 Corporate Health and Safety	2022 Directed Risk	Completed home working DSE risk assessments be shared with the Health and Safety team so that they can be reviewed and monitored for when they are next due. Risk: If risk assessments are not appropriately managed, there is an increased risk of unsuitable working set ups that could lead to injuries.	3	A more joined up approach between HR and Corporate H&S is required to ensure that the appropriate assessments are being undertaken.	Susan Sidell/ Alun Lane	HR Manager and Corporate H&S Officer	31/03/2023	30/09/2024 Outstanding	30/08/2024	The arrangements for DSE assessments have been incorporated into the L&D management system and will be going live on the council's e-learning system for all staff in the near future. Once this has gone live the internal auditors will be asked to sign off this recommendation as complete.	Meeting has taken place with Susan and Alun to discuss progress. Corp H&S has developed a spreadsheet with a departmental break down of allocated courses through the portal. Discussions have been taking place with various departments to confirm allocated needs.	Meeting has taken place with Susan and Alun to discuss progress. Corp H&S has developed a spreadsheet with a departmental break down of allocated courses through the portal. Discussions have been taking place with various departments to confirm allocated needs.
270750	22/23 NN2314 Development Management includes planning applications	2022 Directed Risk	Collect performance data on pre-applications and review whether the current targets are appropriate, to monitor performance going forward. Risk: If the Council is unable to provide responses in line with its targets, then there is a risk of reputational damage and reduced engagement with the pre-application process.	3	Agreed.	Geoff Lyon	Development Manager	30/11/2023	Outstanding	30/08/2024	17 July 2024 - See also NN2009. Work is now well underway to review and amend the Council's pre-application advice service together with revisions to proposed timeline for pre-app responses. Performance in relation to the new targets, once in place, will be monitored to ensure expected timeframes for responses are delivered, achievable and remain appropriate. New pre-app service is expected to enhance the reputation of the Council.	17 July 2024 - See also NN2009. Work is now well underway to review and amend the Council's pre-application advice service together with revisions to proposed timeline for pre-app responses. Performance in relation to the new targets, once in place, will be monitored to ensure expected timeframes for responses are delivered, achievable and remain appropriate. New pre-app service is expected to enhance the reputation of the Council.	
270392	22/23 NN2316 ICT-Disaster Recovery	2022 Delivery Risk	The Council to ensure that the Corporate Business Continuity Plan, which was last updated in April 2018, be reviewed and approved as a matter of urgency. We understand that Council management have already identified this as a priority. As part of this exercise, the IT team to ensure the Council's Disaster Recovery capability is communicated and approved at Senior Management level. Risk: That the Business Continuity Planning and supporting Disaster Recovery processes are not fit for purpose.	2	The Council will be preparing a new Corporate Plan which is planned to be submitted to full Council in November 2023. The service plans and the council's BCP will be updated and aligned to the new Corporate Plan.	Tina Stankley	Director of Resources	31/12/2023	31/10/2024 Outstanding	02/09/2024	All services have updated their BCPs (deadline was 31 July 2024 and 100% were completed. This now needs translating into a Corporate BCP and this will be done over the next 2 months.		
270393	22/23 NN2316 ICT-Disaster Recovery	2022 Directed Risk	The DR test plan to be enhanced by the inclusion of actual, real-world infrastructure disruptions as these provide opportunities for improvement in addition to planned tests. We suggest that the plans also include planned UPS testing and additional details on the outcomes of planned and unplanned events for reference and learning purposes. Risk: That outcomes from incidents not recorded as if they were tests are not recorded and learned from.	3	Agree we should record actual events and the outcomes to learn from to use as possible future test scenarios.	Tina Stankley	Director of Resources	30/09/2023	Completed	02/09/2024	A real live test was carried out over Christmas 2023. All IT systems were shut down and the back-up facility at Fakenham was used to reboot all systems. This was a very successful exercise with only a few minor 'glitches' These were able to be resolved following the exercise. All learning and the exercise was documented. Any future tests or live events will be documented.		
270394	22/23 NN2316 ICT-Disaster Recovery	2022 Directed Risk	The Council to ensure that corporate business system priorities and related recovery timelines, also known as Recovery Time Objectives (RTO), are formally agreed and implemented. These are known as 'Must Continue' and 'Can Suspend' within the Council's Business Continuity Plans and requires confirmation of which systems need to be included in which category. Risk: Any changes in recovery priorities are not accounted for or formally agreed, leading to service disruptions.	3	Agreed. A review of 'Must continue' and 'Can suspend' RTOs can be undertaken and a regular review timeframe can be agreed	Tina Stankley	Director of Resources	30/09/2023	31/07/2024 Completed	02/09/2024	This has been done as part of the exercise to bring the BIAs and BCPs update which were brought up to date by 31 July 2024. The Performance and Productivity or CLT will ensure that this is done annually.		
276175	23/24 NN2402 Complaints and FOI	2023 Directed Risk	Reported data on complaints to include closed and open complaints to provide an accurate picture of response times. Complaints to be responded to within the published target timescales and updated/closed on the Workbench system in a timely manner. Risk: Reputational damage to the Council for not effectively dealing with complaints.	2	Noted - Better training on the use of Workbench should ensure the accuracy of reporting on response timescales.	Stuart Harber	Customer Services Manager	01/04/2024	30/06/2024 Outstanding	30/08/2024	The arrangements for reporting into the Performance and Productivity Oversight Board will include data that ensures that this recommendation is complied with. This has not yet been signed off as the Board is yet to consider this data. This is scheduled for a future meeting of the Board.	The complaints policy and procedure have been updated to meet the requirements of the LGO & SCO complaints handling code. This includes reporting on performance. This is currently under review by Management Team.	A review of our Corporate Complaints Procedure is underway to bring this in line with the new Local Government & Social Care Ombudsman, and the Housing Ombudsman Services complaints handling code. This will involve updating our policy, staff training, and increased reporting on complaints.

276176	23/24 NN2402 Complaints and FOI	2023 Directed Risk	Training to be provided on using the Workbench system to all officers who manage and respond to complaints. Risk: Ineffective monitoring and managing of outstanding complaints.	2	Noted – Training to be delivered.	Stuart Harber	Customer Services Manager	01/04/2024	30/06/2024 Outstanding	30/08/2024	Training hasn't been provided to all officers, however it should be noted that the council is investigating an alternative system for the recording and management of complaints, any change of system will be supported by a full training package for relevant officers. It is then expected that this recommendation will signed off as complete by internal audit.	The complaints policy and procedure have been updated to meet the requirements of the LGO & SCO complaints handling code. Once approved, training will be provided to service users. This is currently under review by Management Team.	A review of our Corporate Complaints Procedure is underway to bring this in line with the new Local Government & Social Care Ombudsman, and the Housing Ombudsman Services complaints handling code. This will involve updating our policy, staff training, and increased reporting on complaints.
276177	23/24 NN2402 Complaints and FOI	2023 Delivery Risk	Performance in respect of responding to complaints on time to be reported corporately. Risk: Without sufficient oversight, complaint response times may not improve.	3	With regards to reporting proposed new measures in Corporate Performance system, these are reviewed by The Chief Executive and Director for Resources, as measures to assess achievement of the corporate objective. – Providing support for all residents, focussing on equality, understanding and respect. The list of new proposed measures is due to be reviewed in the new year.	Stuart Harber	Customer Services Manager	30/06/2024	30/06/2024 In progress	30/08/2024	Corporate Leadership Team has recently established a Performance and Productivity Oversight Board to monitor and challenge corporate performance. This Board will consider complaint response performance as part of its remit and will have approaches in place to hold relevant Managers to account where required. This is in progress as it has yet to fully consider complaint performance but this is programmed in a future Agenda.	The complaints policy and procedure have been updated to meet the requirements of the LGO & SCO complaints handling code. This includes reporting on performance. This is currently under review by Management Team.	The Local Government & Social Care Ombudsman, and the Housing Ombudsman Services have just released the new complaints guidance, and we have requested that we become one of the pilot Council's for the introduction of this. We should find out by mid-March if we have been chosen. This recommendation will be looked at as part of this review.
276178	23/24 NN2402 Complaints and FOI	2023 Delivery Risk	Publish an annual report on complaints, in line with the best practice suggested by the Local Government and Social Care Ombudsman's Good Complaint Handling Guidance. Risk: Lack of transparency regarding complaint handling performance and lessons learned.	3	Noted - The Local Government and Social Care Ombudsman's Good Complaint Handling Guidance is currently under review and under consultation. If this is a requirement then this will be delivered.	Stuart Harber	Customer Services Manager	01/04/2024	30/06/2024 In progress	30/08/2024	Irrespective of the requirements of the LGSCO the Performance and Productivity and Oversight Board will report annually on complaint performance. This is in progress as it has yet to be decided when the Board will consider the annual complaints performance.	The complaints policy and procedure have been updated to meet the requirements of the LGO & SCO complaints handling code. This includes performance reporting and service improvement. This is currently under review by Management Team.	A review of our Corporate Complaints Procedure is underway to bring this in line with the new Local Government & Social Care Ombudsman, and the Housing Ombudsman Services complaints handling code. This will involve updating our policy, staff training, and increased reporting on complaints.
274230	23/24 NN2404 Procurement and Contract Management	2023 Directed Risk	Complete the spend analysis and lower the threshold going forward to all cumulative spend per supplier of over £5k. Risk: Non-compliance with the Local Government Transparency Code 2015, publication of inaccurate and unreliable information regarding the Council's procurement arrangements and inability to identify off contract spend. Not reviewing aggregated spend also brings the risk of splitting big purchases into multiple smaller ones to stay below the scrutinised amount.	2	We currently complete our spend analysis in line with our internal CPR document and realise this is not in line with the current Government Transparency Code 2015. The additional resource required to widen the scope of this expenditure analysis currently prohibits us from undertaking it at the lower threshold of £5k. We will review this when wider resource and resilience issues have been successfully addressed. Audit Comment – We acknowledge management's comments to implement this recommendation with the slightly longer implementation date of three months for a priority 2 recommendation.	Debra Beckles/ Jenny Carroll	Chief Group Accountant/ Procurement Officer	31/03/2024	30/06/2024 Outstanding	02/09/2024	On leave so officer not available to provide update. A verbal update will be given at the meeting - DoR	The next spending analysis is scheduled to be undertaken in October. We aim to do this before then and will incorporate the lower aggregated spend, this has been discussed with the Accountancy assistant who will undertake the review.	The council has successfully recruited into the Accountancy Assistant post (Dec 23) and aim to complete this recommendation the end of June.
279281	23/24 NN2405 Accountancy Services	2023 Directed Risk	Whilst the Chief Technical Accountant post remains vacant, the Director of Resources must satisfy themselves by completing appropriate checks to confirm that the absence of these independent reviews and authorisations has not resulted in any errors or wrongdoing. Risk: Significant investments not reviewed for validity and accuracy and the risk of error and misappropriation.	2	The monthly reconciliation will continue to be carried out by the Technical Accountant however this will be checked and reviewed by either the Deputy s151 or the s151 Officer with immediate effect (until the Chief Technical Accountant is recruited).The Director of Resources (DoR) comments that she considers the risk or error or wrongdoing to be relatively low as the majority of our investments (over 90%) are tied up in pooled funds which remain untouched. The Council does not then invest any surplus funds in anything other than the MMFs that are set up and they are all AAA rated. She checks with the Technical Accountant what the position is and what is invested or borrowed.	James Moore	Technical Accountant	31/03/2024	31/07/2024 Completed	02/09/2024	Completed earlier in the summer.	Karl Smith has received period 1 and 2 2024/25 TM reconciliation. New Chief Technical Accountant (Daniel King) hired in July 2024 who will review period 3 and future TM reconciliations.	08/05/24: Monthly treasury reconciliations are being reviewed by Karl Smith (Interim Assistant Director for Finance) until a new Chief Technical Accountant is in post (anticipated July 2024).
279286	23/24 NN2405 Accountancy Services	2023 Directed Risk	To develop process documentation for key finance processes, as resources allow such as various monthly control account reconciliations. Risk: Process continuity may be adversely impacted in the absence of key members of staff.	3	Agreed, simple and clear guidance will be developed for all key finance processes. Two new members of staff have recently started and this should start to provide the capacity to do this work as tasks are handed down and over to these new members of staff.	Jenny Carroll	Chief Group Accountant	30/06/2024	Outstanding	02/09/2024	On leave so officer not available to provide update. A verbal update will be given at the meeting - DoR	This is and will be an ongoing process of writing and reviewing all of our process notes and guidance. We aim to maintain a central index with all document locations, review dates etc.	24/05/24: (On track - Ongoing) It is anticipated that this process will speed up when the Chief Technical Accountant starts with us on 1 July as he will provide more capacity.
279298	23/24 NN2406 Accounts Payable	2023 Directed Risk	Procedural guidance relating to Accounts Payable administration to be reviewed and updated. Risk: Incorrect and or inconsistent practices developing leading to errors and incorrect payments.	3	Agreed. Process notes will be written for main Purchase ledger procedures.	Elaine Goddard/ Anna Drake	Finance Officers	30/09/2024	Outstanding	02/09/2024	On leave so officer not available to provide update. A verbal update will be given at the meeting - DoR	On track	
279299	23/24 NN2406 Accounts Payable	2023 Directed Risk	To ensure all invoices are paid promptly and for performance therewith to be continually monitored. This to include investigating the root cause of where the delays are occurring and to ensure controls/measures are put in place to allow effective monitoring and detection should further delays arise. Risk: Complaints from suppliers and reputational damage to the Council.	3	Agreed. A process for monitoring payment performance will be implemented and poor performance will be investigated.	Elaine Goddard/ Anna Drake	Finance Officers	30/09/2024	Outstanding	02/09/2024	On leave so officer not available to provide update. A verbal update will be given at the meeting - DoR	Not started. Due date may have to be extended.	
279300	23/24 NN2406 Accounts Payable	2023 Directed Risk	All emails to support the successful transmission of BACs payments to be retained as evidence.	3	Implemented.	N/A	N/A	20/05/2024	Completed	02/09/2024	This was implemented immediately but the status wasn't changed to completed.		
277943	23/24 NN2408 Income	2023 Directed Risk	Complete a review of staff access to the Digital Mail Room rooms and implement a process to regularly review access to ensure only appropriate staff have access. Risk: Inappropriate access arrangements increase the risk of loss or misappropriation of post and cash.	2	Customer Services Managers Comments: I am happy to implement this recommendation and factor in a process for the accountability of updating the system when staff leave the department/organisation.	Stuart Harber	Customer Services Manager	01/04/2024	31/05/2024 Completed	30/08/2024	The recommendation appears to have been completed but it is unclear whether this has been signed off by internal audit.	Review complete. New starters/leavers list shared from HR to Property Services on a monthly basis who will amend access rights.	Access rights into the Digital Mailroom are under review.
279292	23/24 NN2411 Civil Contingencies and Business Continuity	2023 Directed Risk	To update and implement the Council's Corporate Business Continuity Plan as soon as is practical, ensuring formal, evidenced review occurs annually, with updates performed every two years. Risk: Business continuity processes may be ineffective, adversely affecting the Council's ability to deliver its services including regulatory services. This will also result in reputational damage to the Council.	1	Since receiving the draft report, an updated version of the Corporate BCP has been submitted to the auditor 13/05/2024. The 30th of April timescale for the new BC template is not achievable because of incident responses and therefore the timescale of the 31st of May is more achievable.	Emily Capps	Assistant Director –Environment & Leisure Services	31/05/2024	Completed	29/08/2024	Evidence sent to auditors	An up to date Corporate BC plan was sent to the auditors on 13/05/2024	An up to date Corporate BC plan was sent to the auditors on 13/05/2024
279293	23/24 NN2411 Civil Contingencies and Business Continuity	2023 Directed Risk	To ensure that up to date Business Continuity Plans are produced for all service areas, with evidenced annual	1	Services have been requested to update their business continuity plans.	Alison Sayer	Resilience Manager	31/07/2024	Completed	29/08/2024	Evidence sent to auditors	All service managers have been requested to update their BC plans on the new template by 31 July. A new Business Continuity page has been added to the intranet with comprehensive guidance. Four, half hour drop-in sessions have been held for managers wanting extra help to complete the plans. Reminders will be sent and additional support will be offered. The separate Business Impact Analysis (BIA) documents were requested by the end of June. Of the 36 BIA's expected, 30 have been received as of 17 July (83%). Reminders and 1:1 support offered re the outstanding six BIAs.	
273515	23/24 NN2412 Land Charges	2023 Directed Risk	To ensure data cleansing is undertaken regularly as standard practice. Implementing both recommendations will also improve resilience in the long term, with less time and resources required to amend inaccurate data. Risk: Incorrect information could be entered onto the Land Charges Register, this in turn could cause incorrect information to be reported to clients and liability issues to the Council. There is also a risk that data may not be accurate in preparation for the transfer to HM Land Registry.	2	The data underwent significant review and cleansing as part of the Uniform implementation programme in 2017 and will undergo significantly cleansing as part of the HMLR process. We will ensure we work through all issues to deliver on the national HMLR project – this will pick up best practice from elsewhere. Audit Comment – We acknowledge the long implementation date due to the steps required to complete all actions.	Rachel Parkin/ Sharon Fordham	Team Leader	31/03/2024	30/06/2025 Outstanding	02/09/2024	Director of Resources comment: There is an ongoing project to migrate data to HMLR as there is a transfer of part of the Land Charges service to HMLR. A significant part of this project is to provide cleansed data. There are strict parameters for this data to be accepted by the HMLR system and so there is a thorough review of all the data in the system. The Land Charges team will introduce a procedure for regular data cleansing exercises following on from this data migration.	Data cleansing as highlighted and requested by Land Registry with regard to the HMLR project is ongoing with completion expected June 2025. Otherwise new data is checked to ensure it is compliant with the LR standards. All wording of charges and information is checked when transferred from Uniform to TLC.	Any data added to the Land Charges register is checked by the Team Leader. Data cleansing identified by HMLR is being worked on currently.

273517 23/24 NN2412 Land Charges	2023 Directed Risk	Reconciliations between land charge records and the general ledger 2 to be completed on a monthly basis and be independently reviewed with evidence of sign off from the reconciling officer and independent reviewer retained. Risk: Errors in the reconciliation process are not identified and income unaccounted for.	Discussions will be held with the Finance Team on how this could be done but at the moment it is not within the gift of the Land Charges team to do as the Civica system is not available to the Land Charges team to do these comparisons. Audit Comment – We acknowledge management’s responses and timescale for implementation. Key financial audits are scheduled in the audit plan for 2023/24 where these types of reconciliations will be looked at in more detail and outcomes reported accordingly.	Maxine Collis	Planning Support Manager	30/03/2024	30/07/2024 Outstanding			Not yet completed. Aiming to resolve the issues this summer.	30/05/24: Our accountant has managed to pull some reports off civica which I will be testing next week with the team leader to ascertain if that report gives us sufficient information to identify each transaction. This would be the case for most allocated funds but not all but I need to do some work to see if we can identify other income elements by the process of elimination. Therefore in conclusion – this has moved forward a step and I am hopeful we should be able to find some resolution in the coming weeks – it may be soon but if there are some elements we struggle to identify then it may take a bit longer.
273523 23/24 NN2412 Land Charges	2023 Delivery Risk	To implement a performance indicator to reflect the current targeted time frame of 10 working days for the completion of land search requests. Risk: Poor performance, in particular, non-compliance with the 10-day timescale, may not be identified leading to reputational damage for the Council.	3 Just because we say we aim to do something within a certain period does not mean that that should become a key performance indicator. In addition, there is no national standard – we use the 10 days as a guide for customers on expected turnaround times. This has been a KPI in previous years and was always met. In the context of the Planning Service in 2023 it is not considered that it meets the “definition” of “key”. We would have no issue with it becoming so if that was the Corporate wish.	Maxine Collis	Planning Support Manager	31/10/2023	30/09/2024 Outstanding			This indicator now forms part of the Planning Service Area performance indicators being signed off by Members this summer. COMPLETED	Performance indicators for Land Charges will now be brought under the wider scoping of performance measures for Planning.
276036 23/24 NN2414 Service Desk	2023 Directed Risk	The Council to establish SMART KPIs to monitor the performance of the Service Desk. Risk: Inadequate service delivery due to lack of measurable scrutiny.	2 Agreed.	Kate Wilson/ Rob Holmes/ Hadley Connor	Network Manager / ICT Web Manager / Applications Support Manager, IT Business Support	28/02/2024	30/06/2024 Completed			This has been completed. The KPIs are <ul style="list-style-type: none"> Percentage responded (and therefore assigned) to within 24 hours Percentage resolved within SLA These will be reported monthly going forward	22/05/24: The IT managers still need to agree the KPI’s . New date to complete this by is 30/06/24 .
275775 23/24 NN2415 Post Implementation - Finance System Review	2023 Delivery Risk	The Council to review the outstanding functionality not yet implemented with a view to making decisions about which of these remain a priority and which are not. This to be supported by a formal minutes decision, implementation plan and roadmap with supporting financials and clear milestones to be monitored for progress on an ongoing basis. Risk: There is an increased risk that the delivered application does not meet the needs of the Council.	2 The project working group continues to meet on a fortnightly basis and the progress and position on outstanding issues are discussed and the issues log is updated accordingly. This continues to be the prime source document for recording all progress and decisions on. However going forward for any future implementation of additional modules the project management framework will be followed and decisions will be recorded in minutes. The system that went live was to enable us to maintain “Business as Usual” functions. The additional modules represent a change to existing working practices. The intention is, when staff resource is available, to bring these live on a module-by-module basis, after ensuring there is a definite benefit to the business. This ongoing part of the project will be implemented using the project management framework and will continue to be reviewed at fortnightly project working group meetings. With myself having joined the council as the s151 officer there are some modules that I don’t think will add any value to the way in which we work now if we introduce them. So as mentioned above we will implement the modules where we can demonstrate added value on a case by case basis. Again the additional modules formed part of the package selected from a framework. The key technical officers were not consulted upon any of them.	Jenny Carroll	Chief Group Accountant	01/11/2024	Outstanding 02/09/2024	On leave so officer not available to provide update. A verbal update will be given at the meeting - DoR		The formal decision about which, if any of the outstanding modules is still to be made. This is now postponed until after the V25 software upgrade.	Demonstrations of the new modules have now taken place but we are still considering if we should go ahead with one or more of these, and are conscious of the resource implications involved.
275776 23/24 NN2415 Post Implementation - Finance System Review	2023 Directed Risk	The Council to ensure that a formal Post-Implementation Review be conducted as part of a formal project closure process once all of the required functionality that was planned has been successfully implemented. The closure process to include (but not be limited to) the following: Comparison between planned and actual business benefits. An analysis of what worked well and what could have worked better. A summary of officer feedback concerning the project and the resulting implementation.	2 We agree that once all components of the project are live that a formal review of capability be undertaken assessing perceived and delivered benefits. However there should also be a review at the end of the implementation of each module so that we can identify the benefits delivered and the review for each module will be undertaken in a timely manner. Lessons learnt from each module implementation can be taken forward to the next module implementation. A formal ‘lessons learnt’ session was undertaken on 6th July and the identified observations were formally documented. These will continue to be undertaken with each module implemented.	Jenny Carroll	Chief Group Accountant	01/11/2024	Outstanding 02/09/2024	On leave so officer not available to provide update. A verbal update will be given at the meeting - DoR		As before, the project team meet and review progress on a fortnightly basis. We are working together to deliver the first software upgrade (to V25) on Civica.	The project team currently still meet fortnightly to go through issues and training needs. The final project review timeline will depend on whether we progress with the implementation of further modules .

Agenda Item 10

Governance, Risk and Audit Committee

10 September 2024

Report Title		Progress Report September 2024	
Are there background papers?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Exempt	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Reason for Exemption?			
Decision for Full Council?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Contact Officer	Teresa Sharman, Head of Internal Audit for North Norfolk District Council		
E-mail address	teresa.sharman@southnorfolkandbroadland.gov.uk		
Telephone number	01603 430138		
Are there Non Electronic Appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
List of Background Papers (if applicable)			

Progress Report September 2024

Summary: This report provides details of progress with the 2024/25 Internal audit Plan and outstanding recommendations.

Conclusions: The 2024/25 Internal Audit Plan is progressing, and some audits are behind; no final reports have been issued yet. Outstanding recommendations are progressing.

Recommendation: That the Committee is requested to receive and note:

- Progress with delivering the 2024/25 Internal Audit Plan and outstanding recommendations.

Cabinet member(s):

All

Contact Officer, telephone number, and e-mail:

Ward(s) affected:

All

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1. Background

- 1.1 This report is issued to assist the Council 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 Committee on the performance of internal audit relative to its plan, including any significant risk exposures and control issues.

2. Overall Position

- 2.1 The attached report details:
 - Any significant changes to the Internal Audit Plan
 - Progress made in delivering the Internal Audit Plan
 - The outcomes arising from audit work
 - Final report executive summaries
 - Status of agreed recommendations
 - Details of outstanding recommendations

3. Conclusion

- 3.1 The 2024/25 Internal Audit Plan is progressing, and some audits are behind; no final reports have been issued yet. Outstanding recommendations are progressing.

4. Recommendation

1) That the Committee is requested to receive and note:

- Progress with delivering the 2024/25 Internal Audit Plan and outstanding recommendations.

Appendices attached to this report:

Appendix A – Progress Report September 2024

EASTERN INTERNAL AUDIT SERVICES



NORTH NORFOLK DISTRICT COUNCIL

Progress Report 2024/25

Head of Internal Audit: Teresa Sharman

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Progress at a glance

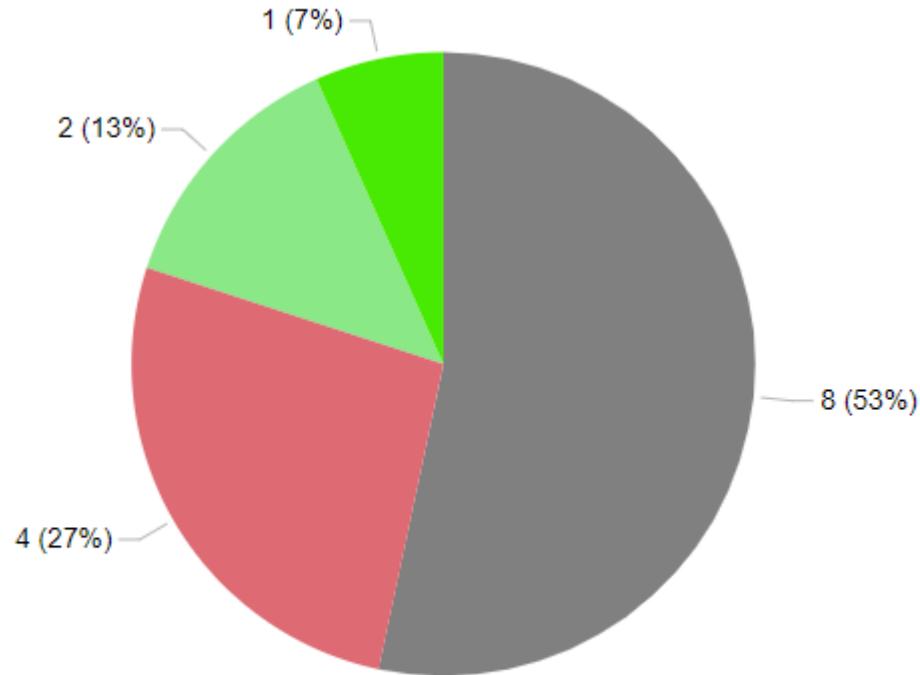
15
Audits in 2024/25 Audit Plan

(Blank)
Urgent Recs Raised

(Blank)
Important Recs Raised

(Blank)
Routine Recs Raised

(Blank)
OEMs Raised



34
Outstanding Recommendations
2 Urgent
18 Important
14 Routine
Oldest – 2019/20 –
1 important –
Planning Applications and Development

● Not started ● Audit behind ● APM issued - not due to start yet ● Audit on track

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Executive Summary

Introduction

Under the Global Internal Audit Standards (GIAS), 'The chief audit executive (Head of Internal Audit) must provide the board with the information needed to conduct its oversight responsibilities.' In particular, 'Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results.' and 'The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate.'

Under the Committee's terms of reference, the Committee should receive updates on the work of internal audit, including key findings, issues of concern and action in hand from internal audit work and consider summaries of specific internal audit reports.

This report is to assist the Committee in discharging its responsibilities in relation to internal audit activity.

Background

The Internal Audit Service for the Council is provided by the Consortium, Eastern Internal Audit Services, hosted by South Norfolk Council, which utilises the services of a contractor, TIAA Ltd.

Internal audit provides an independent and objective opinion on the Council's internal controls by evaluating their effectiveness and operation in practice.

Changes to the 2024/25 Audit Plan

Since the Internal Audit Plan was approved, there have been no changes.

Progress to date and audit outcomes**Progress with audit work**Quarter 1 and 2

The current position in completing all audits to date is shown in **Appendix 1**.

As detailed in Appendix 1, quarter 1 and 2 audits have commenced; however, the fieldwork for the Private Sector Housing audit is behind due to auditor illness, the fieldwork for the Cyber Security audit is behind the reasons for which are currently unknown, and the Data Protection audit is behind due to the original auditor leaving the Contractor and another auditor picking this audit up, and subsequent client annual leave.

There was a delay in receiving information from the client for the quarter 2 Risk Management audit which led to the fieldwork being behind and the debrief meeting and anticipated issue date for the draft report being pushed back.

Quarter 3

Quarter 3 audits have been passed over to the Internal Audit Contractor for them to commence.

Audit Outcomes - Final Reports

No final reports have been issued.

For your information

Recommendations made on the completion of audit work are prioritised and the definitions for these are detailed in **Appendix 4** along with those for the assurance level awarded on completion of each individual audit.

Outstanding Recs

The table shows the total number of outstanding recommendations by year and priority rating: -

Audit Year	Audit Name	1	2	3	Total Outstanding as at 9 Aug 24
2019/20	- Planning Applications and Development Management		1		1
	Total		1		1
2021/22	Environmental Health		1		1
	Key Controls and Assurance		1		1
	Waste Management		2		2
	Total		4		4
2022/23	Corporate Health and Safety			5	5
	Development Management includes planning applications			1	1
	ICT-Disaster Recovery		1	2	3
	Key Controls and Assurance		5	1	6
	Total		6	9	15
2023/24	Accountancy Services		1	1	2
	Accounts Payable			1	1
	Civil Contingencies and Business Continuity	2			2
	Complaints and FOI		2	2	4
	Land Charges		2	1	3
	Procurement and Contract Management		1		1
	Service Desk		1		1
	Total	2	7	5	14
Total	2	18	14	34	

The following audits in the table above were assigned a 'limited' overall assurance opinion: -

- 2022/23 – Key Controls and Assurance
- 2023/24 – Land Charges
- 2023/24 – Civil Contingencies and Business Continuity

As a result of audit recommendations raised, 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.

Appendix 3 provides the Committee with details of urgent and important priority recommendations that are overdue for the year in which they were raised. Management responses and a new deadline, where available, have been indicated for each.

Progress with actions to Improve poor performance

Progress with actions being taken to improve contractor performance is outlined below: -

Another Team was appointed to deliver quarter 1 audits in 2024/25: - this Team has now handed quarter 1 audits back to our core team for completion.

A Protocol, 'a ways of working together' and expectations of Council officers and the Contractor has been issued to ensure that audits are completed as planned in 2024/25 without delay, including timescales for responding and escalation action: - this is in place and is being monitored jointly with the Internal Audit Contractor. Both parties have access to update the audit monitoring spreadsheet.

Consideration is being given to engaging with another contractor to complete some audits during 2024/25: - a second contractor, Shared Internal Audit Services hosted by Hertfordshire County Council has been appointed to complete five audits across the Consortium.

The Contractor is appointing another Client Manager on the contract as one of the current managers is part time. This will help ensure that all audit work is progressed timely. In addition, more auditors are recruited: - a new director has been assigned to us.

Summary of Audit Work 2024/25

Appendix 1

Audit Area	Status	Opinion	Total Recs	Urgent	Important	Routine	OEMs	Qtr
Data Protection	Audit behind	0	0	0	0	0	0	1
Private Sector Housing - HMOs, private rental enforcement and empty homes	Audit behind	0	0	0	0	0	0	1
Cyber Security	Audit behind	0	0	0	0	0	0	1
Risk Management	Audit behind	0	0	0	0	0	0	2
Coastal Management - joint audit with GYBC	APM issued - not due to start yet	0	0	0	0	0	0	2
Leisure	APM issued - not due to start yet	0	0	0	0	0	0	2
Applications review: Revenues and Benefits	Audit on track	0	0	0	0	0	0	2
Early Help Hub	Not started	0	0	0	0	0	0	3
Environmental Protection (statutory nuisances, environmental crime, anti social behaviour, contaminated land, pollution) and Private Water Supplies	Not started	0	0	0	0	0	0	3
Section 106 Arrangements	Not started	0	0	0	0	0	0	3
Applications review: Finance & HR System	Not started	0	0	0	0	0	0	3
Key Controls and Assurance	Not started	0	0	0	0	0	0	4
Commercial Estates	Not started	0	0	0	0	0	0	4
Environmental Charter	Not started	0	0	0	0	0	0	4
Waste Management Contract with SERCO (including contract / agreement monitoring, income collection & monitoring, refuse collection, street cleansing, recycling, clinical waste and grounds maintenance)	Not started	0	0	0	0	0	0	4

**Grant
Certifications**

The following grants have been certified by EIAS so far during 2024/25: -

- Disabled Facilities Capital Grants P/e 2023/24

No final reports have been issued in quarter 1 and 2.

Outstanding Recommendations by Year

Appendix 3

2019/20

Recommendation	Priority	Owner	Due Date	Revised Due Date	Number of times revised	Latest Response
NN2009 Planning and Development						
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	1/7/24	9	A new 'Pre-Application Service' is being designed - with input from our Agents and Developers Forum. Consultation on an initial proposal started in early May 2024. The new proposal will include a new fee regime - which it is intended to take to Council in July 2024 - with the new system being introduced from 1st September 2024. Delivery against the new Service will be monitored within a new suite of Performance Indicators that are being devised for Planning.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Number of times revised	Latest Response
NN2213 Waste Mgmt						
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	29/7/22	30/6/24	6	The drafting of the revision to the Inter Authority Agreement has been completed and wording agreed with Eastlaw. The revised agreement has not yet been agreed by the three councils, due to other priorities in the waste contract associated with the round and route re-optimisation and ongoing commercial matters discussions with Serco. Officers will look to progress this as soon as the issues outlined above have been resolved.
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	29/7/22	31/3/24	4	Performance within the Serco customer contact centre has continued to see improvements. The high workload and staff shortages within the team over the last few months has meant it has not yet been possible to further implement a complaint monitoring system as had been intended. With the team now back to full strength, it is hoped this will be progressed within the next few months. Due date has therefore been updated to end March 2024.
NN2202 Key Controls and Assurance						
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 Council	Important	N/A	25/5/22	30/6/24	1	"This has not progressed. However, in December we were successful in recruiting in a previously vacant Accountancy Assistant and with this resource we can hopefully develop a reconciliation process. I suggest that a new

of Kings Lynn & West Norfolk and this can be clearly evidenced.						deliverable date is 30/06/2024 (allowing for Year-end closure)"
NN2214 Environmental Health						
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	30/6/22	31/3/24	3	The recommendation is not yet complete. We have made further progress with establishing a new system for managing licensing fee income due and reconciling this information between the Licensing database and finance systems. It is anticipated that this system will be implemented by November for all 'new' annual fees due from that point. We have contacted licence holders with potentially outstanding historical fees and requested that either payment is made or evidence of historic payment is provided (to account for income received that was not able to be reconciled with a specific licence holder in the database). There is still further work to be completed on both aspects of this recommendation but anticipate this will be completed by March 2024. As noted in previous updates, this is a resource intensive exercise and will require additional staffing support to enable completion within the timescales suggested.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Number of times revised	Latest Response
NN2302 Key Controls and Assurance						
Management to ensure that:- All issues and emerging themes identified in the Self-Assessment process are captured in the Action Plan;- There is a clear reference from Self-Assessment findings to issues raised in the Action Plan, with each Action Plan issue having a consecutive reference number. - Each Action Plan entry has a target date and owner clearly stated.	Important	Director for Resources	31/12/23	N/A	0	No updated response provided.
Management to ensure that future Annual Governance Statements provide clear visibility of the overall governance position of the Council. For example: - all significant issues arising during the year should be detailed in the "Governance Issues" section, with clear reference to the Action Plan; - all Action Plan issues should be supported by detail in the Governance Issues section; - progress on previous years' Action Plan issues should be reported.	Important	Director for Resources	31/12/23	N/A	0	No updated response provided.
Management to investigate the potential for new reports to be developed from the new Finance system detailing number of debts by age category, and value/number by department, to enhance the focussed review of old debt.	Important	Director for Resources	31/12/23	31/3/24	1	The new reports are being updated by IT and will be live by the end of March 2024.

To investigate the purchase order interface on the finance system with the system provider to rectify property service orders being raised and authorised by the same user.	Important	Director for Resources	31/12/23	N/A	0	No updated response provided.
Management to: - ensure that car park ticket machine income records and cash collected are reconciled monthly with any discrepancies promptly and thoroughly investigated; - review arrangements for ensuring the Council receives all income due from Penalty Charge Notices including, if needs be, the future provision of the service. If outsourcing is considered the most appropriate method, a method of independent verification of the income received should be contractually agreed with the current / future service provider, to facilitate the requisite levels of detail to provide the required assurances.	Important	Director for Resources	31/12/23	N/A	0	No updated response provided.
NN2316 ICT-Disaster Recovery						
The Council to ensure that the Corporate Business Continuity Plan, which was last updated in April 2018, be reviewed and approved as a matter of urgency. We understand that Council management have already identified this as a priority. As part of this exercise, the IT team to ensure the Council's Disaster Recovery capability is communicated and approved at Senior Management level.	Important	Director for Resources	31/12/23	N/A	0	The audit of this area in 2023/24 has made the same recommendation and an 'urgent' rating has been applied. The completion date has been agreed as 31/5/24.

Recommendation	Priority	Owner	Due Date	Revised Due Date	Number of times revised	Latest Response
NN2402 Complaints and FOI						
Reported data on complaints to include closed and open complaints to provide an accurate picture of response times. Complaints to be responded to within the published target timescales and updated/closed on the Workbench system in a timely manner.	Important	Customer Services Manager	1/4/24	30/6/24	1	A review of our Corporate Complaints Procedure is underway to bring this in line with the new Local Government & Social Care Ombudsman, and the Housing Ombudsman Services complaints handling code. This will involve updating our policy, staff training, and increased reporting on complaints.
Training to be provided on using the Workbench system to all officers who manage and respond to complaints.	Important	Customer Services Manager	1/4/24	30/6/24	1	A review of our Corporate Complaints Procedure is underway to bring this in line with the new Local Government & Social Care Ombudsman, and the Housing Ombudsman Services complaints handling code. This will involve updating our policy, staff training, and increased reporting on complaints.
NN2412 Land Charges						
To ensure data cleansing is undertaken regularly as standard practice. Implementing both recommendations will also improve resilience in the long term, with less time and resources required to amend inaccurate data.	Important	Team Leader	31/3/24	30/6/24	1	Any data added to the Land Charges register is checked by the Team Leader. Data cleansing identified by HMLR is being worked on currently.
Reconciliations between land charge records and the general ledger to be completed on a monthly basis and be independently reviewed with evidence of sign off from the reconciling officer and independent reviewer retained	Important	Planning Support Leader	30/3/24	N/A	0	Our accountant has managed to pull some reports off Civica which I will be testing next week with the Team Leader to ascertain if that report gives us sufficient information to identify each transaction. This would be the case for most allocated funds but not all but I need to

						do some work to see if we can identify other income elements by the process of elimination.
NN2404 Procurement and Contract Management						
Complete the spend analysis and lower the threshold going forward to all cumulative spend per supplier of over £5k.	Important	Chief Group Accountant/Procurement Officer	31/3/24	30/6/24	1	The council has successfully recruited into the Accountancy Assistant post (Dec 23) and aim to complete this recommendation the end of June.
NN2405 Accountancy Services						
Whilst the Chief Technical Accountant post remains vacant, the Director of Resources must satisfy themselves by completing appropriate checks to confirm that the absence of these independent reviews and authorisations has not resulted in any errors or wrongdoing.	Important	Technical Accountant	31/3/24	31/7/24	1	Monthly treasury reconciliations are being reviewed by Karl Smith (Interim Assistant Director for Finance) until a new Chief Technical Accountant is in post (anticipated July 2024).
NN2414 Service Desk						
The Council to establish SMART KPIs to monitor the performance of the Service Desk.	Important	Network Manager / ICT Web Manager / Applications Support Manager, IT Business Support	28/2/24	30/6/24	1	The IT managers still need to agree the KPI's . New date to complete this by is 30/06/24 .
NN2411 Civil Contingencies and Business Continuity						
To ensure that up to date Business Continuity Plans are produced for all service areas, with evidenced annual reviews.	Urgent	Resilience Manager	31/7/24	N/A	0	No updated response provided

To update and implement the Council's Corporate Business Continuity Plan as soon as is practical, ensuring formal, evidenced review occurs annually, with updates performed every two years.	Urgent	Assistant Director – Environment & Leisure Services	31/5/24	N/A	0	No updated response provided
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Definitions

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed, and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed, and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed, and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.
Position Statement	Advisory work.

Urgent Priority 1	-	Fundamental control issue on which action to implement should be taken within 1 month.
Important Priority 2	-	Control issue on which action to implement should be taken within 3 months.
Routine Priority 3	-	Control issue on which action to implement should be taken within 6 months.

OEMs are Operational - Effectiveness Matter. These can be proposed, and 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.

Interim Corporate Risk Register as at August 2024

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Overview

Since the last report was presented to members the General Election has taken place and a Labour government was elected. As yet, the new Government has not announced anything significant relating to Local Government other than in the King's Speech there would be legislation to speed up the planning process so that house building, and economic growth are not held up. It is anticipated that the Autumn Statement may include plans for what action it might take around funding reforms, 3 year financial settlements and increased levels of funding to address specific local government budget pressures it faces e.g. demand led budgets for Temporary Accommodation is an issue across the country for all councils.

Other risks include the impact of nutrient neutrality which is being felt across many areas of the Council e.g. the Planning and Building Control income is below that anticipated for the year. The number of planning applications submissions has reduced as they are being stalled by the impact of nutrient neutrality. This is in turn placing even more pressure on our temporary accommodation services and budgets as demand for housing outstrips supply.

The Council has several projects on the horizon that are now in doubt. The largest and most immediate one is the security of the funding for the Fakenham Leisure and Sports Hub (FLASH) as there has been no confirmation of funding for this project by the incoming government. The Council has only received funding for the costs incurred to date. Until there is confirmation of further funding the project cannot be progressed. This is a major risk for the Council. Another area of concern is the implementation of a separate food waste collection by March 2026. The capital grant funding that the outgoing government offered was thought to be only half of what the Council would need to cover the capital costs.

The final risk to cite and perhaps the most considerable risk for the future, due to the uncertainty, is around the future funding streams coming from central government. This uncertainty is around the intentions of new incoming Government e.g. a possible review of local government and does the government still support the two tier system. So far there has only been support shown for Devolution Deals and encouragement for areas that do not have one to apply for a Devolution Deal.

Risk Matrix

5					
4			<u>CR 008</u> <u>CR 034</u>	<u>CR 002</u> <u>CR 015</u> <u>CR 036</u> <u>CR 038</u>	<u>CR 010</u>
Page 55 3		<u>CR 009</u> <u>CR 032</u> <u>CR 035</u>	<u>CR 001</u> <u>CR 013</u> <u>CR 025</u> <u>CR 039</u>	<u>CR 024</u> <u>CR 026</u>	
	2	<u>CR 028</u> <u>CR 030</u>	<u>CR 029</u> <u>CR 037</u>		
1					
Impact					
Likelihood	1	2	3	4	5

CR 001 Deteriorating/ underused property assets

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Lack of funding to repair and maintain assets and increased maintenance costs. 2. Deteriorating/ underused property assets. 3. Loss of revenue / legal liability/ not achieving value for money /reputational risk/ capital commitment. Primary - A Financial, Secondary - H Reputational	Business cases for commercialisation of assets to deliver future income and efficiencies. Adequate budget provision both from revenue and capital to support R&M works and capital investment. Asset Condition Surveys. Compliance policies in place and up to date. Compliance works undertaken in a timely fashion. Adequate staff or appropriately qualified external contractor support. Procure a Strategic Development Partner.	3 x 3 = 9 →	Production and approval of the Asset Management Plan.	2 x 2 = 4	The Asset Management Plan is going through an internal consultation process.	Council: Opportunity: 3 Increasing the rates of occupation on all council's commercial properties	Karl Smith

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

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Lack of Government funding. 2. Lack of ability to maintain coast defences and / or to support local coastal adaption needs. 3. Inability to adapt to climate change - increased coastal erosion and flooding. 4. Primary – E Strategic, Secondary - F Environmental and Social	Corporate Planning / Service Planning. Net Zero 2030 Strategy and Climate Action Plan. Shoreline Management Plan (SMP). Repairs & Maintenance Programme. Procurement practices. Health & Safety checking and monitoring. DEFRA funding of capital schemes. Coastal Monitoring including the use of drones. Control of coastal management schemes through procurement and regular checking. Coastal Partnership East set up. Environment Forum.	4 x 4 = 16 →	Refurbish coastal defences at Mundesley. 10-year capital programme. Refurbish coastal defences at Cromer. A scheme for the protection of the coastline at Overstrand needs to be developed.	3 x 3 = 9	Construction of the Cromer and Mundesley Scheme started 5 March 2024. Schemes are progressing in line with the programme. Cromer is forecast to be complete in November 2024 and the Mundesley part of the scheme is due to complete summer 2025. Urgent health and safety repairs to assets are being undertaken. Non urgent repairs are being included in the ongoing repairs and maintenance programme. Ongoing cliff slips and asset deterioration is being investigated and assessed and plans of action being considered.	Greener: Coast: 3 Continuing our programme of investment in coastal and resort infrastructure and amenities, building on the progress made in recent years	Tamzen Pope

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CR 008 Loss of Information

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Loss of information assets. 2. Loss due to cybercrime (hacking/ theft) 3. Operational disruption, impact on customers. 4. Primary – A Financial, Secondary – H Reputational	PSN Code of Connection compliance. ICT Strategy. IT Security Policies. Implement data security protocols. IT Monitoring. Data Protection training. Regular audits of IT security arrangements. Regular 3rd party data protection and integrity testing. Information Risk Policy and Role Description. GDPR compliance Framework. Certificated Security Professional Training Cyber security training	$4 \times 3 = 12$ →		$3 \times 3 = 9$	<p>Ongoing cyber security training for all staff taking place.</p> <p>The risk remains high but this is well managed by the IT team, taking all steps possible to guard against and mitigate this risk.</p>	Council: Effective & Efficient: 4 Ensuring that strong governance is at the heart of all we do	Tina Stankley

CR 009 Poor Procurement

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Procurement policies and procedures not followed or not fit for purpose. 2. Inadequate procurements 3. Poor Procurement - poor value for money, poor strategic and operational outcomes, legal challenge, loss of public confidence, lack of transparency. Primary – A Financial, Secondary – H Reputational	Procurement Strategy. Procurement Framework. Joint procurement protocol and opportunities for joint/shared procurement with other authorities. Advice for external suppliers. Procurement responsibility assigned. Publish updated and complete contracts register.	3 x 2 = 6 →	Implement new Procurement Act 2023.	2 x 2 = 4	An audit of procurement has been carried out and recommendations are being implemented. New procurement legislation coming in from October 2024 which will result in changes in the way we carry out procurement. The Procurement Officer, her manager and the AD Legal are undertaking training and will take action to ensure NNDC complies with the legislation.	Council: Effective & Efficient: 4 Ensuring that strong governance is at the heart of all we do	Tina Stankley

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CR 010 Housing Delivery

1. Cause of risk	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Non delivery of housing targets</p> <p>2. Potentially many factors that could cause this risk – both at a national and a local level e.g. the state of the economy and/or nutrient neutrality related matters. Governments draft NPPF, July 2024, suggests that NNDCs housing target should be increased by approximately 70% per annum.</p> <p>3. Increasing homelessness, impact on NHB, vibrancy of local communities, impact on social infrastructure, loss of temporary accommodation in district, lack of social housing.</p> <p>4. Primary – E Strategic, Secondary - F Environmental and Social</p>	<p>Continue to investigate ways to support and assist affordable housing providers.</p> <p>Use of capital.</p> <p>Partnership work with Registered Providers.</p> <p>Local Investment Plan</p> <p>Local Development Framework (LDF) policies.</p> <p>Internal planning protocol.</p> <p>Increased Focus.</p> <p>Housing Strategy implementated.</p> <p>Enhance Housing Association delivery.</p> <p>Community Housing Fund.</p>	<p>4 x 5 = 20 ↑</p>	<p>Local Plan currently - awaiting outcome.</p> <p>Delivery of the Planning Service Improvement Plan.</p> <p>Work with partners on Nutrient Neutrality matters.</p> <p>Respond to NPPF consultation.</p>	<p>2 x 4 = 8</p>	<p>Local Plan examination complete – awaiting an update from the inspector.</p> <p>Progress on PSIP being made. Reports to O&S scheduled for summer 2024.</p> <p>Norfolk Nutrient Mitigation Fund was launched on 16 May 2024.</p>	<p>Housing: Housing Need: 1 Supporting the delivery of more affordable housing, utilising partnership and external funding wherever possible</p>	<p>Russell Williams</p>

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CR 013 Emergency Event

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Any Internal or external event that has a significant impact on the Council.</p> <p>2. These events could include those that affect the Council and its resources or an event that affects the wider district. Recent civil unrest is one such event.</p> <p>3. The ability of the Council to deliver services is reduced.</p> <p>Primary – A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety)</p>	<p>Corporate Planning / Service Planning.</p> <p>Budget Process / Budget Monitoring.</p> <p>Refresh the project management framework.</p> <p>Emergency Response & Recovery Planning.</p> <p>Business Continuity Planning.</p> <p>Complete critical services' Business Continuity Plans (BCP).</p> <p>Corporate Business Continuity key role training.</p> <p>Corporate Policies and Procedures.</p> <p>Employment Policies.</p> <p>Forward adverse weather guidance.</p> <p>CC 001 Consideration of COVID-19 implications.</p> <p>Business Continuity Plans new template is being introduced May 2024. The template is easier to used, clearer and more relevant – completed this quarter.</p> <p>CC 002 ER1 Review Emergency Response Plan – reviewed and minor updates made - completed this quarter.</p>	<p>3 x 3 = 9</p> <p style="text-align: center;">→</p>	<p>Service managers have been asked to transfer their information to the new template by 31 July 2024.</p> <p>The next report will split this risk into external event we have to respond to (CR013(a)) and external event where we are impacted as a Council (CR013(b))</p>	<p>2 x 2 = 4</p>	<p>The Environment Agency and the Met Office have indicated that there is the potential for persistent flooding issues this autumn and winter due to high ground water levels. Multi-Agency planning for this is currently taking place.</p>	<p>Statutory obligation</p>	<p>Alison Sayer</p>

CR 015 Medium Term Financial Plan

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Forecast funding reductions and shift to local financing from business rates, council tax and new homes bonus. 2. Reduced funding to fund current service levels and produce a balanced budget. Use of reserves is not sustainable strategy to bridge income/ expenditure. 3. Funding gaps in the medium to long term. 4. Primary – A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety).	Reporting - New legislation and consultation. Policy Work. Lobbying Central Government. Medium Term Financial Strategy. Corporate Planning / Service Planning. Budget Process / Budget Monitoring. Monitoring impact of the business rates retention. Annual review of the Council's reserves. Timely agreement of the annual Localised Council Tax Support Scheme. Balanced budget agreed. Growth forecasting models. Business cases for commercialisation of assets to deliver future income and efficiencies.	4 x 4 = 16 →	Introducing monitoring of savings and additional income in the 2024/25 budget – first report to Cabinet being prepared for the Cabinet meeting in September 2024. An updated MTFP will be presented to committees in October.	3 x 3 = 9	The MTFS will be taken to the Cabinet meeting in October 2024 followed by the Overview and Scrutiny meeting.	Council: Effective & Efficient: 1 Managing our finances and contracts robustly to ensure best value for money	Tina Stankley

CR 024 People Resources

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Employment market conditions. 2. Failure to retain and recruit adequately trained and experienced staff. 3. Negative impact on corporate plan, business transformation, performance and delivery. Primary – A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety)	Corporate Planning / Service Planning. Review Pay Policy. Review relocation policy. Employee Referral Scheme. Market Pay Review report. Apprenticeship programme. Check-in process. HR 006 New Ways of Working - Policy Creation. Updated Recruitment Guidelines for Hiring Managers and Employees. Additional information and guidance to support employees when applying for rolls at NNDC.	3 x 4 = 12 ↑	<p>Workforce Development Plan will be drafted and approved in 2024.</p> <p>A Learning and Development Strategy is being drafted. The aim of this strategy will be to retain current employees.</p>	2 x 2 = 4	<p>NNDC absence rates and turnover rates are significantly less than the sector averages.</p> <p>In the previous quarter there has been an increase in turnover in some service areas and attempts to fill these have been unsuccessful. This predominantly in professional roles with Environmental Health suffering at the present time.</p>	Council: Effective & Efficient: 5 Creating a culture that empowers and fosters an ambitious, motivated workforce	Susan Sidell

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CR 025 Contract Failure

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Failure of a contractor 2. The Council has a number of contracts for service delivery. 3. Increased costs and operational disruption. 4. Primary – A Financial, Secondary – H Reputational	Procurement Strategy. Procurement Framework. Joint procurement protocol and opportunities for joint/shared procurement with other authorities. Advice for external suppliers. Procurement Officer post established.	3 x 3 = 9 →		2 x 2 = 4	The impact level has been reduced because mitigation against failure of our major contracts is built into the contract.	Council: Effective & Efficient: 1 Managing our finances and contracts robustly to ensure best value for money	Tina Stankley

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CR 026 Impact of Economic fluctuations on the North Norfolk economy

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Fluctuations in the Local, National and Global economies. 2. Inability of the local economy to adapt to the fluctuations. 3. 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. 4. Primary – C Credit and counterparty, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety)	HS 003 - Monitor the need for temporary accommodation and ensure suitable provision. Medium Term Financial Strategy. Corporate Planning / Service Planning. Treasury Management Strategy. Fund Management advice from Arlingclose. Business Survey. Operation of the Council Tax Hardship Fund. Economic Growth Team maintain contact with key businesses to monitor issues and provide support. Economic Growth Strategy – adopted early 2024.	3 x 4=12 ↓		2 x 2=4	Economic Growth Strategy approved by Full Council. We are in the final year of administering United Kingdom Share Prosperity Fund (UKSPF) and Rural England Prosperity Fund programmes which support the local economy.	Economy: Thriving Business: 2 Providing support to allow rural businesses to thrive, recognising that many of our larger employers operate outside of our main towns	Rob Young

CR 028 Governance failures

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Ignorance or non-observance of the Council's agreed governance protocols</p> <p>2. Lack of governance, inadequate implementation and enforcement of governance.</p> <p>3. Poor or illegal decision making.</p> <p>Primary – F Environmental and Social, Secondary - H Reputational</p>	<p>Corporate Planning / Service Planning.</p> <p>Clear robust corporate governance framework.</p> <p>Monitoring Officer actions to ensure governance risk is minimised.</p> <p>Section 151 Officer actions to ensure governance risk is minimised.</p> <p>Constitution/Standing Orders/Scheme of Delegations.</p> <p>Committee report templates.</p> <p>Member/ Officer Protocol.</p> <p>Operation of Overview and Scrutiny Committee.</p> <p>Annual Governance Statement supported by assurance framework.</p> <p>Operation of Standards Committee.</p> <p>Monitoring Officer Report.</p> <p>Head of Internal Audit assurance.</p> <p>Audit programme.</p> <p>Operation of Constitution Working Party.</p> <p>Annual Assurance Statements.</p> <p>Annual Audit Report.</p>	<p>2 x 2 = 4</p> <p>→</p>		<p>2 x 2 = 4</p>	<p>The review of the Constitution is currently taking place with a target date for completion of December 2024.</p>	<p>Council: Effective & Efficient: 4</p> <p>Ensuring that strong governance is at the heart of all we do</p>	<p>Tina Stankley</p>

CR 029 Poor reputation of the Council in the Community

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Related to the Council's dealings, interests and performance, and the impact of adverse outcomes.</p> <p>2. The Council is perceived as inefficient, unresponsive to local need and/ or not transparent.</p> <p>3. The Council's reputation is adversely affected and public confidence reduced.</p> <p>4. Primary – H Reputational, Secondary - E Strategic.</p>	<p>Develop and Implement a Communications Strategy.</p> <p>Clear robust corporate governance framework.</p> <p>3.1.2 Review and refine our Customer Strategy.</p> <p>Training including FOI training.</p> <p>Dedicated PR & Communications Team</p> <p>Local Code of Corporate Governance</p>	<p>2 x 3 = 6</p> <p>→</p>	<p>Review the Customer Service Strategy, Updating complaint handling process to match the Local Government Ombudsman code of practice.</p> <p>Revise the Constitution.</p> <p>Further training activity in relevant areas.</p>	<p>2 x 2 = 4</p>	<p>Several of the action controls are progressing and coming towards completion.</p> <p>Complaints process update has been drafted and is being consulted on.</p> <p>Social Care Ombudsman pilot meetings being attended by the Director for Communities.</p> <p>Awarded national Platinum award for standard of Planning Service.</p>	<p>Council: Effective & Efficient</p>	<p>Steve Hems</p>

CR 030 Sheringham Leisure Centre

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Failure of contractor or issue with the construction sector, consents not given. 2. Building facility did not go ahead. 3. Facility not delivered. 4. Primary – A Financial, Secondary - H Reputational	Operation of Overview and Scrutiny Committee. Project management & reporting procedures - Sheringham Leisure Centre.	2 x 2 = 4 →		2 x 2 = 4	No longer a risk to the Council. However, the final account remains to be settled. There are a small number of snagging issues to be addressed. And the cost of this will be paid from the contract retention.	Communities: Culture: 1 Championing North Norfolk as a place where residents and visitors can enjoy inclusive cultural opportunities and healthy leisure and sports activities	Karl Smith

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

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Rising construction and materials costs. 2. Funding not available / timing of works. 3. Failure to deliver a new roundabout at Fakenham, necessary to unlock housing growth. Primary – I Projects, Secondary - H Reputational	Emerging Local Plan. Stakeholders monthly meeting. Regular dialogue with Norfolk County Council. Liaising with NNDC Chief Executive. Keeping ward Members informed. Successful bids for funding via NCC. Close liaison with stakeholders in exploring potential funding opportunities. Norfolk County Council project manager appointed. Contractor in place. Regular stakeholder meetings – meetings taking place weekly – completed in the last quarter	3 x 2 = 6 →	Emerging Local Plan – inspector letter received, plan expected to be in place for spring 2025 Continued input and financial support in relation to design to ensure that infrastructure can be delivered autumn 2024 if funding matter is resolved. Submitted a bid to DLUHC for additional funding. – outcome still awaited. Liaising with landowner in considering cost implication.	2 x 2 = 4	Revised planning applications have been submitted to NNDC. Permission granted for variation of condition of original planning permission to allow roundabout to come forward prior to remainder of the overall scheme. Scheme planned to commence 9 September 2024.	Housing: Housing Need: 1 Supporting the delivery of more affordable housing, utilising partnership and external funding wherever possible	Martyn Fulcher

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CR 034 Not achieving the Net Zero 2030 target

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Inaction/ inability to reduce emissions to net zero.</p> <p>2. Not delivering the Climate Action Plan or parts of it. Current Climate Action Plan will not achieve net zero target. Contractors unable to deliver services with net zero carbon.. All Council input not achieved. Failing to secure contracts that do not result in net zero.</p> <p>Not achieving net zero by 2030. Impact on the reputation of the Council. Financial impact - needing to offset emissions.</p> <p>4. Primary – E Strategic, Secondary – F Environmental and Social and H Reputational</p>	<p>Delivering NZSAP and considering the formation of a decarbonisation board.</p> <p>Formal review of NZSAP every two years. Update and adapt the plan to meet the net zero target.</p> <p>Continual monitoring of the delivery of the NZSAP as a major project through the project board.</p> <p>Quarterly monitoring delivery through the Performance Management Framework.</p> <p>Opportunities to offset from general operations and developments.</p> <p>Ensure net zero considerations are at the forefront of all Council decision making.</p> <p>Decarbonisation board now meeting regularly – completed this quarter.</p>	<p>4 x 3 = 12</p> <p>→</p>	<p>Additional investment in renewable generation and/ or other offsetting initiatives.</p> <p>Ensure all staff and Members are carbon aware.</p> <p>Introduce carbon pricing across all workstreams.</p>	<p>4 x 3 = 12</p>	<p>Trial of EV pool cars started May 2024.</p> <p>Decarbonisation board now meeting regularly.</p> <p>Carrying out carbon literacy and awareness training. Near completion – a handful of remaining managers to attend training.</p> <p>FLASH (Fakenham Leisure and Sports Hub) – sustainable features under consideration e.g. gas boilers v. air source heat pump.</p>	<p>Greener: Net Zero: 1</p> <p>Continuing our own annual emissions reductions to reach Net Zero by 2030</p>	<p>Martyn Fulcher</p>

CR 035 Failure to deliver the Local Plan

1. Cause of risk	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
1. Local Plan process being delayed. 2. Loss of key staff, changes in legislation and political expectations 3. Failure to deliver corporate objectives for all themes. 4. Primary – D Operational (including capacity/ delivery/ resources/ health & safety), Secondary – E Strategic and H Reputational	Effective project management. Ensuring there is a pool of suitably skilled and knowledgeable Planning staff that can be called on to contribute to the Local Plan process. Member Training. Following the departure of the Planning Policy Manager transitional arrangements have been put in place (Spring 2024).	3 x 2 = 6 →	Response to the Planning Inspectors initial letter of July 2024 about the examination findings is being prepared. Further public consultation will need to take place before the plan can be adopted.	2 x 2 = 4	Inspectors initial letter has been published, Councillors have been briefed and a press release issued. It is recommended that this risk be reviewed to relate to the adoption of the new Local Plan and when and if the plan is adopted the risk is replaced with one relating to the delivery of the plans ambitions.	Statutory obligation	Russell Williams

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CR 036 Cromer and Mundesley Coastal Management Schemes

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Funding, consents.</p> <p>2. Additional application made for Cromer. This may not be approved. Costs will increase as a result of delays. Difficulties and delays in receiving consents will have an impact on timescales and costs.</p> <p>3. Funding – rescope the project, Consents – increased costs and programme delays and subsequent cost revisions leading to funding issues.</p> <p>4. Primary – A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety), H - Reputational, I - Project</p>	<p>Project risk register and management of risks monitored monthly.</p> <p>Monthly project meetings with contractor.</p> <p>Regular risk reduction meetings.</p> <p>The risk overseen by the project board.</p> <p>Retaining the design consultant during the project -implemented in the previous quarter.</p> <p>Close liaison with the contractor to identify engineering options has been agreed and is ongoing.</p> <p>A Fisheries Liaison Officer acting as a liaison between the contractor and the local fishermen for rock deliveries which is already showing benefits for the scheme and the fishermen– put in place last quarter.</p>	<p>4 x 4 = 16</p> <p>→</p>		<p>3 x 3 = 9</p>	<p>The application for additional funding for Cromer has been approved by the Environment Agency.</p> <p>All pre-construction conditions have been discharged for planning and marine licenses.</p> <p>Construction is progressing on both schemes according to the planned programme.</p> <p>Cromer is forecast to be complete in November 2024 and the Mundesley part of the scheme is due to complete summer 2025.</p>	<p>Greener: Coast: 2 Implementing the Cromer and Mundesley Coast Protection Schemes</p>	<p>Tamzen Pope</p>

CR 037 High cost and resource issues from prosecutions, enforcement action and litigation

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Requirement to take costly action in financial and other resource terms 2.</p> <p>2. Statutory obligation to investigate and apply enforcement action including health and safety, food safety, licensing, environmental protection, planning. Public suing NNDC, Equality Act.</p> <p>Potential overspends not budgeted for. Not being able to carry out statutory and non-statutory functions due to the large call on staff resources. Also a risk if decide not to take enforcement action – risk of Judicial Review and to reputation</p> <p>4. Primary=A Financial, Secondary=D Operational (including capacity/delivery/resources/health & safety) E Strategic F Environmental and Social G Governance H Reputational</p>	<p>Case decision making process.</p> <p>Apply two stage evidential and public interest tests</p> <p>Enforcement Policy</p> <p>Apply HSE enforcement matrix</p> <p>Liaise with relevant Portfolio Holder</p> <p>Refer to constitution for procedures</p> <p>EH reserve</p> <p>Staff training in understanding and interpreting legislation</p> <p>Regular inspections</p> <p>There is an established Enforcement Board to oversee this work and actions.</p> <p>General reserve maintained at recommended levels.</p>	<p>3 x 2 = 6</p> <p>↓</p>		<p>2 x 2 = 4</p>	<p>Discussed at a Management Team meeting in May 2024 and added to the Corporate Risk Register.</p> <p>The likelihood score has been reduced after reviewing known and likely cases that may arise in the next quarter.</p>	<p>Corporate Plan and statutory duties</p>	<p>Karl Smith</p>

CR 038 Fakenham Leisure and Sports Hub (FLASH) – threat to building within funding window

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Timeline for building the facility is tight. Completion to draw down funding has to be before the end of March 2026.</p> <p>2. This is a complex project, with a large number of stakeholders and contractors involved. If the project cannot be delivered on time this could lead to reduced funding being drawn down and not all outcomes being achieved.</p> <p>4. Primary - A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety) and H - Reputational</p>	<p>Project Management processes Liaison with the Levelling Up Team. Timeline prepared. Procurement process for consultants, architects, engineers in place. NNDC project team established. External steering group established and monthly meetings taking place. Members of the steering group include NNDC, Everyone Active, local councillors, Fakenham Town Council, MP, Football Foundation, Fakenham Academy. Ensuring decision making follows NNDC protocols. Follow NNDC Procurement Guidance. Procurement Officer support. Risk Management Policy and Framework Project Risk Register – reviewed monthly Review with Director for Resources the NNDC appetite for financial risk relating to this project – risk appetite established.</p>	<p>4 x 4 = 16 ↑</p>	<p>Reporting regularly to MHCLG – due to the change in government this has still to be set up.</p>	<p>2 x 2 = 4</p>	<p>Received confirmation from the Levelling Up Fund that the bid has been Validated and approved by the Minister for Levelling Up. After the confirmation was received the General Election was called and new ministers appointed. Levelling Up Fund projects that have not started but a steer is awaited by the government department from Ministers as to the future of the fund. In the meantime, uncertainty of the funding for this project has increased therefore the risk score has increased for NNDC, its contractors and partners The procurement of the main contractor process has therefore been paused. Planning of the project continues.</p>	<p>Developing our communities - Promote Health, Wellbeing and Independence for all - Working with partners to promote healthy lifestyles and address the health inequalities faced by our communities.</p>	<p>Erika Temple</p>

CR 039 Rocket House building repair and energy improvement works

1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening 4. Risk category	Existing Controls	Score (with controls) Impact x Likelihood = Total rating and change of direction	Action (to achieve target score)	Target Score Impact x Likelihood = Total rating	Progress update	Corporate Objective	Lead Officer
<p>1. Building needs repair and energy performance works to be fully lettable.</p> <p>2. Exceeds capital budget allocated. Works might not be successful in dealing with damp and increasing EPC rating.</p> <p>3. Repairs could not be made as planned. Scaled back action may be necessary. Additional funds may have to be requested. This could cause delays. Unknown additional repair issues arise. Damage due to weather events may occur after any repairs are made.</p> <p>4. Primary - A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety), H Reputational</p>	<p>Independent surveys (3) of the building.</p> <p>Budgeted repair costs prepared by independent quantity surveyor.</p> <p>Indicative timeline prepared.</p> <p>Capital budget of £1m approved.</p> <p>Agreement made with a tenant vacating to enable the works to go ahead.</p>	<p>3 x 3 = 9</p> <p style="text-align: center;">→</p>	<p>Procurement of contractor to do works.</p> <p>Agree and implement contract management process.</p> <p>Reletting of the ground floor vacant area of the building once repairs complete.</p> <p>Valuation advice is being sought regarding the long term lease.</p>	<p>2 X 2 = 4</p>	<p>Short term lease completed until October 2024 when the downstairs tenant vacates to enable the works to take place.</p> <p>Preparation for the procurement process is currently taking place. Technical design for repairs started in June 2024.</p> <p>Technical advice has been received on waterproofing.</p> <p>Architects will be appointed w/c 5 August 2024.</p>	<p>Strong and Responsible – Maximising Opportunity - Increasing the rates of occupation on all council's commercial properties.</p>	<p>Renata Garfoot</p>

KEY

Impact

Corporate Risk					
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

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Likelihood ratings and dimensions

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

Categories of risk

A Financial

B Macroeconomic

C Credit and counterparty

D Operational (including capacity/ delivery/ resources/ health & safety)

E Strategic

F Environmental and Social

G Governance

H Reputational

I Projects

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Change of direction

Rating score the same as the previous quarter →

Rating score higher than the previous quarter ↑

Rating score lower than the previous quarter ↓

Note: Rating score of 1 to 6 = Green, 8 to 12 = Amber, 15 to 25 = Red.

LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT (AGS) 2023/24	
Executive Summary	<p>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.</p> <p>This is based on the development of the ‘Delivering Good Governance in Local Government: Framework’ (2016) produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) and focusses on the seven core principles and sub principles of good governance. The Annual Governance Statement (AGS) is prepared following a review of all the evidence available to the Council in seeking compliance with its Local Code.</p>
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 Director of Resources 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. Purpose of the report

- 1.1 Attached to this report is The Annual Governance Statement (AGS) for 2023/24 (Appendix A) for discussion by the Governance, Risk and Audit Committee.

2. Annual Governance Statement (AGS)

- 2.1 This Annual Governance 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 evidence 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.
- 2.2 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.
- 2.3 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.
- 2.4 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.

3. Review of Effectiveness

- 3.1 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

3.2 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.

3.3 The review of the Governance arrangements is undertaken through several mechanisms including the report from the Head of Internal Audit and the Corporate Leadership Team and Management Team's Self-Assessment Assurance Statements as well as the various inspection regimes undertaken by the External Auditors, all of which feed into and support the overall review.

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

There are no specific financial or staffing implications.

Comments from the S151 Officer

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

6. Legal Implications

Comments from the Monitoring Officer

This is the Annual Governance Statement detailing how the Council conducts its business in accordance with the law and necessary standards.

7. Risks

7.1 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.

8. Net Zero Target

8.1 No specific Net Zero considerations

9. Equality, Diversity & Inclusion

9.1 No particular considerations

10. Community Safety issues

10.1 None

11. Conclusion and Recommendations

11.1 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.

11.2 **Members are asked to review and approve the AGS**

Annual Governance Statement 2023/24 (Appendix A)

Executive Summary

As the Leader and Chief Executive of North Norfolk District Council we would like to present our Annual Governance Statement for 2023-2024.

The Council's vision is centred around Putting North Norfolk and its Communities first. The Council is one that places the environment and its communities at the heart of everything that it does, particularly for those in rural villages, businesses, those affected by the housing crisis, and in facing the unique challenges that our unique environment brings. Our Corporate Plan 2023-2027 sets out how we aim to achieve this.

Good governance remains essential to the Council's ability to deliver its vision and achieve our aims set out in our Corporate Plan. Our Annual Governance Statement for the period April 2023 to March 2024 covers what governance arrangements and what systems we have had in place during the year to ensure that we continue to improve and continue to comply with the principles of good governance embedded within our Local Code of Governance (our governance framework). These are:

- Behaving with integrity
- Ensuring openness and engagement
- Working together to establish a viable and clear direction for the future
- Identifying and delivering the actions that are required to ensure the Council achieves its goals
- Developing the Council's capacity to deliver its intended outcomes by ensuring it has the right people in the right place at the right time
- 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

The Council is not only committed to these core principles of good governance but also to seeking ways in which we can continue to improve service delivery and in finding solutions to any issues identified. The Council has been through a challenging year with the demand for services not only increasing but also placing increasing pressure on our budgets. However despite this we can report that there haven't been any significant governance issues identified during our annual review and our governance arrangements remain fit for purpose. Areas of improvement have been identified and action has been taken to make these improvements. The main areas for improvement being that as part of the implementation of the Planning Improvement Plan there will be a need to review and update the governance arrangements within that area and that we will continue to review our partnership and contract management arrangements to ensure that we obtain good value for money and sound use of the council's assets. We will continue to seek out areas for improvement during the coming year so that we can be satisfied that good governance remains an essential element in all that we do.

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1. RESPONSIBILITY

- 1.1. North Norfolk District Council (NNDC) must conduct its business in a lawful and compliant way. It must safeguard public money ensuring that it is properly accounted for and used economically, efficiently and effectively. The Council should be transparent in its service delivery. The Council also has a duty (under the Local Government Act 1999) to continuously seek to make improvements in the way in which it delivers its services and about economy, efficiency and effectiveness.
- 1.2. The governance arrangements in place ensure that the Council conducts its business and delivers its services by
- Operating in a lawful, compliant, honest and transparent way.
 - Safeguarding public money ensuring that it is properly accounted for that best value is achieved in spending this money.
 - Having in place proper and adequate arrangements for managing risk.
 - Identifying opportunities to develop and improve what it does
 - Providing the opportunity for challenge and scrutiny, accepting that challenge and learning from it.
- 1.3. The Council has a Local Code of Corporate Governance, which is based on the '*Delivering Good Governance in Local Government: Framework*' (CIPFA/Solace, 2016) ('the Framework'). A copy of the Council's current Local Code can be found on our website. This statement shows how the Council has complied with the Framework and meets the statutory requirement to publish an Annual Governance Statement (AGS). The statement is prepared in accordance with proper practices for 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 and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is a continuous process

- to identify and prioritise risks that may prevent 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.

3. THE GOVERNANCE FRAMEWORK – THE SEVEN CORE PRINCIPLES

3.1. The Council's governance framework is based on the following core principles (as recommended in the CIPFA/SOLACE 2016 Framework);

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of the 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 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 and;
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

3.2. Our Local Code of Corporate Governance explains how good governance supports the Council and shows what we aim to achieve by following the seven core principles, along with the tools we use to support our compliance. It goes on 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. ***Our Vision and Priorities***

Our Vision is ' – "Making North Norfolk a fantastic place to live, work, do business and visit"

Our Mission statement facilitates this through us '. "Engaging with our communities to create a fair and inclusive North Norfolk where local people can secure quality homes and good jobs whilst protecting and conserving our environment and leading on Net Zero development".

Our Vision and Mission for North Norfolk is supported by four values:-

Fairness – We respect people and treat everyone fairly

Ambition – We welcome new challenges and embrace change

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Integrity – We are open and honest and listen

Resourcefulness – We strive to be efficient with our resources

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.

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 its objectives, Quarterly performance reviews are presented to Cabinet and the Overview and Scrutiny Committee. We publish information about our performance. This includes agreeing an annual [Delivery Plan](#) against which performance is monitored to show progress in delivering the plan.

3.5. **Constitution and Responsibilities**

The Constitution is a comprehensive document 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 e.g. 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 monthly to include 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 is supported by the Overview and Scrutiny Committee and its task and finish groups
- The Overview and Scrutiny Committee has its own work programme to review Council services in addition to scrutinising the work of the Cabinet. It can 'call-in' a decision which has been made by the Cabinet but not yet implemented;
- The Governance, Risk and Audit Committee (GRAC) is well established and is responsible for the review of the work of the Internal and External Audit functions. It provides independent assurance of the effectiveness of governance arrangements, risk management and financial management processes. It has responsibility for the approval of the Statements of Accounts.
- Separate committees exist for Planning, Standards and Licensing;
- Delegation arrangements to committees, Cabinet 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. It is reviewed periodically with interim updates made as and when appropriate. There is a significant review of the Constitution underway, involving external consultants to assist this.

3.6. **Codes of Conduct**

The Council has two Codes of Conduct one for Members and one for officers, and a protocol for councillor/officer relationships that can be found [here](#). These have defined the roles and conduct of Members so that they can work successfully together to deliver the Council's vision and high quality services to its residents. The Codes include reference to the need to declare any interests that may conflict with an individual's role at the Council and there are registers for Councillors and officers which are maintained by the Council to record this information.

3.7. **Complaints**

The Council has a [Whistle-blowing Policy](#) and a [compliments and complaints procedure](#), so that individuals can safely have any referrals fully investigated, properly resolved and learning applied to service delivery. The compliments and complaints procedure is currently being revised to ensure that it includes all the recommendations of the Local Government and Social Care Ombudsman's new code (published in February 2024).

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 of Legal and Governance) 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. As well as complying with legislation there is comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the Role of the Chief Financial Officer (2010) along with other CIPFA codes. The Council has an [Policies, protocols and reports](#) area on its website which contains the policies, protocols and reports where the latest annual reports and policies are held.

3.9. **Development and training needs**

North Norfolk is committed to investing in the staff and Members Staff are valued and given the opportunities to develop and achieve their full potential through the training and development programmes that are in place. The Council supports Members by providing a training and development programme to equip them with the skills needed in carrying out their duties. An example of this is the comprehensive induction programme that was provided for all Members, both new and returning, following the District Council elections held in May 2023.

3.10. **Risk Management**

Risk Management is a planned and systematic approach to the identification, assessment and management of the risks facing the organisation. The Council's [Risk Management Framework](#) shows how the Council manages risk actively when delivering services. All committee reports contain a risk section which must be completed by the officer presenting the report to ensure that Members can consider the risks and opportunities of any recommendations or options. By doing this 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 places great importance on communicating and consulting with its residents and businesses as it wants to operate in an open and transparent way and it believes public understanding of its work, achievements and services, coupled with consultation with residents is key to maintaining high satisfaction levels. The Council uses its website and a variety of social media channels to publish information and engage with its residents and businesses. The Communications Team also continuously works with the local media to provide information to ensure residents

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are kept informed. The Council continue to publish and distribute a paper copy of a twice yearly residents' newsletter, to every household to ensure that the Council can communicate with everyone.

3.12. **Partnerships**

The Council works in partnership with numerous organisations. These partnership arrangements are governed by the Council's Partnership Governance Framework and Partnership Register, which ensure that we maintain a consistent approach when entering 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.

4. REVIEW OF EFFECTIVENESS

4.1. An annual review is carried out by the Council to determine the effectiveness of its governance framework, including the system of internal control. This review considers

- the findings of self-assessments carried out by senior officers of the Council (Corporate Leadership Team (Chief Executive and Directors) and Management Team (Assistant Directors) who review their area of responsibility to determine the effectiveness of their governance arrangements,
- the work of the internal auditors and
- comments made by the external auditors and other inspection agencies.

4.2. Arrangements are in place to monitor and assess key aspects of the Council operations over each financial year. These are:

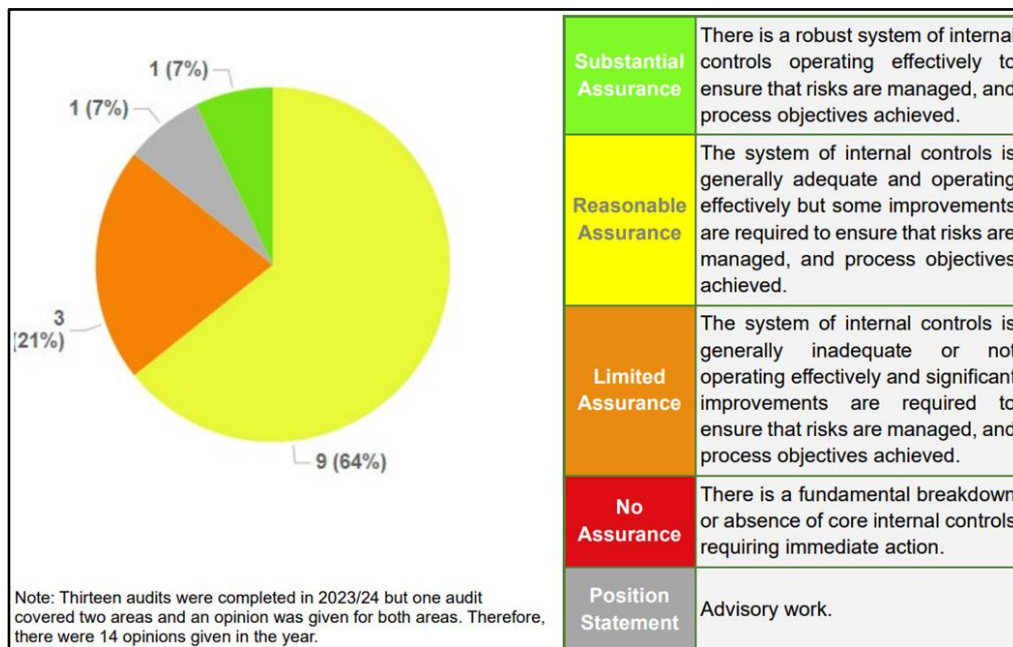
- 4.2.1. The Cabinet consider the Council's overall financial and performance management throughout the year. This is reported on a quarterly basis with the final quarter's report being a review of the full year's activity.
- 4.2.2. Cabinet is also responsible for key decisions and for initiating corrective action where appropriate while the Governance, Risk and Audit Committee (GRAC) consider corporate risk and internal control issues.
- 4.2.3. The Monitoring Officer has a duty to monitor and review compliance with the Constitution. There is also a Constitution Working Party in place to review the constitution and make recommendations to Full Council as appropriate. A significant review of the Constitution is currently being undertaken.

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- 4.2.4. 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 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.
- 4.2.5. 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.
- 4.2.6. The development of the procurement function across the public sector has led to the establishment of several 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.
- 4.2.7. The Council has a Procurement Strategy 2021 - 2025 which was approved in September 2021 by Cabinet following an update to include audit recommendations. Full Council also approved at this time several updates and improvements to the Constitution to ensure that the two documents were aligned.
- 4.2.8. The Council has a Standards Committee to ensure that Councillors maintain a high standard of conduct, and to arrange training to help them do so. The Committee will investigate reports of breaches of standards and act if necessary.
- 4.2.9. The Model Code of Conduct for Members has been adopted by the Council.
- 4.2.10. The Council also has in place the '[Counter Fraud, Corruption and Bribery Policy](#)', which provides a key source of assurance. This was updated in March 2024. All staff have undertaken mandatory training on this, so that they have the knowledge to identify possible instances of fraud, corruption and bribery. This policy is a key policy in delivering good governance and the policy provides the framework and support for combatting this activity.
- 4.2.11. 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. It also received reports from the External Auditor on the work carried out for the Council.

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- 4.2.12. At its meeting on 7 March 2023 GRAC considered and approved the 2023/24 Internal Audit Plan which included a total of 174 days, encompassing 15 internal audit reviews, split into key themes to provide adequate coverage over the Governance, Risk Management and Control framework informing the annual audit opinion.
- 4.2.13. The Head of Internal Audit (HIA) reported to GRAC at its meeting on 9 July 2024 the actual audit work carried out during 2023/24. There were 13 (14 in 2022/23) internal audit assignments completed, delivered over 159 days (158 days in 2022/23) of the original 170 agreed. Two of the original planned audits were deferred until 2024/25. A **reasonable/limited audit opinion** was given for the year overall in relation to the framework of Governance, Risk Management and Control. This is a deterioration from the opinion given for the previous year of a reasonable opinion. The split opinion given by the HIA reflects the potential direction of travel in the control environment at the Council based on the information reported by the HIA.
- 4.2.14. Below is the diagram taken from the report showing the spread of audit opinions across audit work completed in 2023/24, One of the 13 audits was advisory work. Further details can be found in Appendix 1 of the GRAC report.



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4.2.15. The three audits where there was a limited assurance opinion given were

- Post implementation of the Finance System where there were 3 urgent and 2 important action points to address.
- Civil contingencies and Business Continuity where there were 4 urgent and 2 important action points to address.
- Land Charges where there were 2 urgent and 2 important action points to address.

4.2.16. Whilst having received limited assurance on 3 audits it should be noted that there has been work undertaken to address the action points i.e. an agreed date for implementing all recommendations for the Finance System by is November 2024; there are now up to date Business Continuity Plans and Business Impact Analyses in place for all services (as at 31 July 2024) and that a live full Disaster Recovery Exercise for IT was successfully undertaken over the Christmas period 2023 which was documented and learning points noted;

4.2.17. The number of outstanding audit recommendations also considered by the HIA in coming to her opinion of Reasonable/Limited assurance. There were 41 audit recommendation outstanding at the year-end 2023/24 with one dating back to a 2019/20 audit. The table below has been taken from the HIA's report to GRAC on 9 July 2024 which shows the number of audit recommendations outstanding by year and the category of the recommendations.

Audit Year	No. Outstanding	No. of Urgent	No. of Important	No. of Needs Attention
2019/20	1	0	1	0
2021/22	4	0	4	0
2022/23	16	1	6	9
2023/24	20	0	12	8

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4.2.18. It should be noted that:

- The outstanding recommendation from 2019/20 from the Planning Applications and Development Management audit will be closed off over the summer as the new 'Pre-Application Service' being introduced over the summer will remove the need to implement the recommendation.
- The only urgent outstanding recommendation which related to the treasury management function has been implemented. It was to segregate some of the duties and carry out a daily reconciliation of investments.

4.2.19. Prompt implementation of audit recommendations is a fundamental element in having strong governance in place within the organisation. The HIA's annual opinion of reasonable/limited assurance is concerning, and an improvement plan is being put in place to address her findings. The Corporate Leadership Team will review outstanding recommendations monthly and intervene where it appears that no action is being taken by managers to implement recommendations, Also, draft audit reports will be reviewed by CLT so that it has an awareness of the weaknesses that have been identified and need addressing.

4.2.20. The Council has a Project Management Framework in place for project managers to use when managing projects. By following the framework it ensures that a consistent approach in delivering projects is applied across the organisation thus ensuring stronger governance. Whilst this has been in place for over two years the framework is not being adopted universally across the council and so at present this does represent a weakness in governance. However work will be undertaken to enforce its use across the whole organisation.

4.2.21. The External Auditor's Annual Audit Letter for 2020/21 was considered by GRAC at its meeting of 12 September 2023, with a management response prepared in respect of the recommendations made.

4.2.22. The GRAC and CLT monitor and continually review corporate risks and ensure that actions are being taken to effectively manage the Council's highest risks.

4.2.23. 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 advisors, Link Asset Services, who also provide training to both officers and Members on treasury management related issues.

4.2.24. Key officers complete an annual Self-Assessment Assurance Statement which identifies compliance (or 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 included in the AGS action plan.

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- 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, Directors and Assistant Directors that key elements of the control framework were in place during the year in their areas of responsibility.
 - 4.3.2. 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.
 - 4.3.3. Reviewing any high-level audit recommendations that remained outstanding at the year end and taking appropriate action to address these where necessary.
 - 4.3.4. Reviewing external inspection reports received by the Council during the year, the opinion of the Head of Internal Audit in her annual report to management and an evaluation of management information in key areas to identify any indications that the control environment may not be sound.
 - 4.3.5. Reviewing the updated Local Code of Corporate Governance.
- 4.4. The GRAC received some assurance from the Head of Internal Audit that standards of internal control, corporate governance arrangements and systems of risk management were largely operating to an adequate standard, however a reasonable/limited assurance was given as there were some areas of concerns to be addressed.
- 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.
- 4.6. In terms of gaining assurance on risks associated with delivering services through third parties, there is example of the successful formal partnership known as Coastal Partnership East between NNDC, Great Yarmouth Borough Council and East Suffolk which has now been in place for several years to work along the 220km of coastline across Norfolk and Suffolk. This approach is considered the best way for the Councils to address the challenges that are common to the whole coastline of Norfolk and Suffolk. By collaborating, rather than competing with one another for resources, the Councils are far better able to:
- Retain and recruit staff;
 - Broaden the scope of works that we can undertake;
 - Share expertise, experiences, lessons and new techniques;

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- Capitalise on our strengths and build resilience for the future
- Prepare joint schemes and projects (achieving economies of scale) and;
- Explore new and innovative approaches to adaptation as well as coast protection.

4.8 A Section 113 Agreement signed up to 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 can 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 completed annually by the Chief Executive, Directors and Assistant Directors (ADs) for their 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
- Risks and Control
- Health and Safety
- Procurement
- Insurance
- Information Technology
- Data Protection
- Freedom of Information
- Business Continuity
- Partnerships
- Equalities
- Driver safety

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- 5.2. Following a review of the Statements supplied, the AGS is drafted before being considered by the Corporate Leadership Team (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 2023/24**
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.
- 5.4. Following the review of the Statements, the following have been identified in terms of emerging themes for the organisation.
1. **Service/team plans and performance –**
Several managers referred to the need for further development of the Service and Team Plans to help ensure that resources are targeted in the most efficient way and to ensure that budgets are aligned with service delivery.
 2. **Staff recruitment and retention –**
This has been an issue for several years largely due to the district's peripheral location and salary levels. There doesn't appear to be a solution to this problem as there are shortages of suitably qualified and experienced professionals in many of the disciplines within local government across the country e.g. legal, environmental health, planning and finance. This obviously places a great deal of pressure on existing staff and their ability to deliver services. The Council has more recently looked to grow its own staff and there have been quite a high degree of success in training apprentices who have then gone on to take up permanent roles. However this will take time to feed through to there being sufficiently trained and suitably qualified and experienced senior members of staff.
 3. **Policy and strategy updates –**
Several of the Council's policy and strategy documents are overdue for review and updating and there is a risk that these documents do not reflect current corporate priorities and best practice if the reviews are delayed. The lack of updating is mainly down to capacity issues and having the appropriate staff in post to undertake the reviews.
- 5.5. It should be noted that for the Assistant Director for Planning the timing of producing his self-assessment assurance statement has fallen during the implementation of a major service transformation and therefore assurances given are not as high and as comprehensive as they have been previously. Whilst there have been adequate measures/processes in place previously the service was not performing as well it could in terms of how it communicated with customers, so an overarching review of the service was undertaken, and an improvement plan has been put in place to ensure the service will deliver a better service. This improvement plan encompasses a comprehensive review of the existing processes and procedures to ensure that they meet future governance needs.

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- 5.6. Crucially, the responses have highlighted that there are no significant and systemic governance issues and governance arrangements are mainly consistent across the Council. Where partial responses have been provided, managers have already identified actions that are being progressed to address these areas and the Head of Internal Audit will review progress during 2024/25. The progress in implementing the Planning Service Improvement Plan (PSIP) will be reported to members throughout the period of implementation and the AD for Planning can provide assurances about the revised governance arrangements put in place as part of the implementation of the PSIP.
- 5.7. There have not been any alleged or proven frauds for note during the 2023/24 financial year.
- 5.8. The following Action Plan has been developed to help address any control or governance issues identified as part of the AGS process.

Issue	Action/Outcome	Officer(s)	Target Date
Limited assurance given by the AD for Planning due to be part way through a major transformation of the service.	Implementation of the PSIP encompassing a comprehensive review of the existing processes and procedures	AD for Planning	31 December 2024 for full implementation of PSIP
Not all Service Plans and Team Plans have been updated. Without these in place there is an increased risk that resources are not targeted in the most efficient way and that significant areas of work are not sufficiently resourced. These plans will also drive and impact on some of the Council's performance targets.	Team Plans and Service Plans to be reviewed along with performance measures to ensure they continue to support corporate priorities and that targets are realistic, meaningful and relevant. Service budgets should be realigned with Service Plans where ADs consider these to be misaligned	CLT/MT ADs	31 December 2024 As part of the budget setting process for 25/26
The Employee Code of Conduct was due to be reviewed in April 2020. The policy therefore needs to be reviewed and updated in response to corporate learning gained through internal and external audit reports to ensure that it remains fit for purpose.	Employee Code of Conduct policy to be reviewed in respect of corporate learning and to ensure the policy remains up to date	HR Manager	31 January 2025
The Council's IT Strategy has not been reviewed for several years. There has not been an AD in post to do this for over 18 months	Review and update IT Strategy and combine with Digital Strategy	Assistant Director Legal	31 March 2025

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which has meant that it has been delayed further.	A review is currently (summer 2024) underway of the IT service to identify any improvements in both service delivery and structure so that the service is placed in a strong position to meet future service demands.	and Governance	
The Partnership Framework has not been reviewed for a number of years so there is a risk that the project management framework is not properly aligned with this area of the business.	Review and update the Partnership Framework and guidance.	CLT	31 December 2024
Audit recommendations not being implemented in a timely and prompt manner.	Immediate implementation of a monthly review of outstanding audit recommendations by CLT	CLT	Immediate
Post implementation of financial services audit was given a limited assurance level with several recommendations still to implement	The Group Accountant – Revenue is leading on implementing all recommendations and for developing an improvement plan to ensure that the system functionality can be maximised which it to include the assessment of the benefits of introducing the budget planner and non-current assets modules and then implementing them if deemed beneficial.	Finance Team lead by Group Accountant – Revenue	30 November 2024 for implementation of audit recommendations. 31 March 2025 for assessment and development of plan to introduce the 2 unused modules
Civil contingencies and Business Continuity audit was given a limited assurance level	All audit recommendations to be implemented. Provide training workshops on completion of BCPs and BIAs annually Diarise annual update of BCPs and BIAs by all by 31 July each year	Resilience Manager, Emergency Planning	31 October 2024 30 April 2025 May/June 2025
Land Charges audit was given a limited assurance level	All audit recommendations to be implemented.	AD for Planning	31 March 2025

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	It should be noted that there is a migration of parts of the Land Charges service to His Majesty's Land Registry and so the implementation of the audit recommendations needs to set within in context of meeting of the HMLR's migration deadline of April 2025.		
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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 except for those areas identified above. We have either already put in place or are putting in place improvement plans to address the areas of weakness in our governance arrangements and will continue to focus on these until it is evident that good progress has been made in enhancing and strengthening our governance arrangements. We are satisfied that these steps will address the need to make improvements in the areas identified during the review of effectiveness and will monitor their implementation and operation throughout the year.

Leader of the Council

Councillor Tim Adams

Date

Chief Executive

Mr Steve Blatch

Date

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TRANSFER OF LAND CHARGE SEARCHES (LLC1) to HMLR	
Executive Summary	This report details the ongoing work to migrate NNDC's Local Land Charges Register service to His Majesty's Land Registry (HMLR) and make the GRAC aware of the risks this creates and the future loss of income.
Options considered	This is an update report and there are therefore no options to consider
Consultation(s)	None
Recommendations	It is recommended that GRAC note this report.
Reasons for recommendations	This is a Central Government initiative that NNDC have to comply with.
Background papers	Infrastructure Act 2015 (legislation.gov.uk) Local Land Charges: Local authority pre-migration guide - GOV.UK (www.gov.uk) Local Land Charges Migration Hub (landregistry.github.io) New burdens information - GOV.UK (www.gov.uk)

Wards affected	All
Cabinet member(s)	Cllr Lucy Shires Cllr Andrew Brown
Contact Officer	Tina Stankley Director of Resources Tina-stankley@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	None
Medium Term Financial Strategy (MTFS)	This transfer will cause a reduction in income, worsening the position of the MTFS.
Council Policies & Strategies	None

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

1. Purpose of the report

- 1.1 To detail the ongoing work to migrate NNDC's Local Land Charges Register service to His Majesty's Land Registry (HMLR) and make the GRAC aware of the risks this creates and the future loss of income.

2. Introduction & Background

- 2.1 Every local authority is required to migrate its Local Land Charges register service to HMLR. This is part of the Government's commitment to make the home buying process simpler, faster and cheaper. HMLR initially allocated North Norfolk District Council for migration in 2023/24. However as this is a nationwide migration from all local authorities with this responsibility to HMLR delays in migration have occurred. This is the case for NNDC (through no fault of its own) and with current progress we are anticipating delivery completion post March 2025.
- 2.2 A Local Land Charge is a restriction on a piece of land or property that can limit its use or bind the owner to a payment of a sum of money. Charges can include:
 - planning decisions
 - road agreements
 - tree preservation orders
 - conservation areas and listed buildings notices
 - environmental health notices
 - charges or objections made against previous owners
- 2.3 The Infrastructure Act 2015 provides for the transfer of responsibility for Local Land Charges in England and Wales from local authorities to HMLR. Under these provisions, HMLR will provide a single, digital Local Land Charges register for England and Wales.
- 2.4 There are three parts to Local Land Charges. Once migration has taken place, the Council will cease to provide Local Land Charges searches (Part 1- LLC1 searches, (the register)) and customers will carry out and obtain instant local searches from HMLR via a national portal. Part 1, the LLC1 holds information about the property such as restrictions, prohibitions, Conditional Planning Consents, Enforcement and financial requirements. NNDC will continue to provide updates to the register on these elements where applicable.
- 2.5 The Council will continue to provide CON 29 enquiries (Parts 2 and 3) which relate to a wider range of enquiries, including Planning and Building Control and are usually made when buying the property. These include matters that may affect the property such as major road proposals, traffic schemes, and road adoption status.
- 2.6 The migration is a complex issue. The Council has had to enter into a Collaboration Agreement and Development Plan with HMLR, which has established a framework to govern each party's rights and obligations under the Local Land Charges Programme. In particular, the parties agree to:
 - Discuss the authority data with the other

- Share and discuss the results of collaboration
 - Analyse the data & take remedial action in relation to incorrect entries
 - Act in good faith to support the migration process
- 2.7 Under the Collaboration Agreement the Council is required to appoint a Senior Responsible Officer (Planning AD) for the Migration to provide overall strategic oversight and direction and an Operational Leader (Planning Support Manager) accountable for day-to-day delivery of the migration. The Council has agreed a Delivery Plan for the project with HMLR.
- 2.8 The Delivery Plan sets out the timetable for the migration process and commits the Council to deliver the migration of Local Land Charges by a specified date. For North Norfolk this was originally anticipated to be completed by April 2024, but HMLR have not engaged with us early enough such that our likely date for completion will now be in 2025. A more specific timeline is yet to be agreed but is imminent.
- 2.9 Once the migration process is complete, the Chief Land Registrar issues a formal notice to the Council informing it of the date on which the Registrar will assume the Local Land Charges function for the Council.
- 2.10 After migration, the Council will continue to provide replies to CON 29 enquiry searches, which relate to a range of departmental and highways enquiries. In addition, the Council will still be required to apply new registrations, internal and from external organisations and amend, update and cancel charges in the new register.
- 2.11 All further enquiries following on from a HMLR search are the responsibility of the Council to respond to and any discrepancies will still be the responsibility of the Council, hence the Council's insurance in respect of Local Land Charges will still be required.
- 2.12 The migration of the Local Land Charges service will have financial implications for the Council as set out in the 'Current Position' below. Once the Chief Land Registrar has assumed the Local Land Charges function for the District, the Council will no longer carry out all Local Land Charges searches (Part 1 searches) with a resultant loss of income.
- 3. NNDC Current Position**
- 3.1 Having successfully completed a data extract for analysis in December 2023, we were selected to move forward with the migration in March of this year. In effect this means Land Registry assign a project manager and a small data management team to us, as an authority, to assist and drive the transfer of land charge data and responsibility.
- 3.2 The migration process has several formal stages to ensure timeliness, data consistency (with other authorities already migrated) and accuracy. HMLR require fortnightly meetings throughout migration.
- 4. Corporate Priorities**
- 4.1 None

5. Financial Considerations

- 5.1 There are 3 parts to a Local Authority Land Charges official search.
- Part 1 known as LLC1 (Land Charges Register) and
 - Parts 2 and 3 (CON 29 and CON 290).
- 5.2 Once the migration has been completed, HMLR will provide replies and receive income for Part 1(LLC1) searches, which means a loss of income for the Council of approximately £50-60k per annum (approximately a third of its income for Land Charges).
- 5.3 The Council will continue to provide replies to Part 2 and 3 (CON 29 enquiries). So it will continue to receive the income for this work, The fees for this work have recently been reviewed and increased and officers will continue to review these charges annually to ensure full cost recovery.

6. Migration Funding

- 6.1 The migration process is extensive and time consuming. This has been acknowledged by HMLR who will provide some financial assistance for this. This should be in the region of £75k paid in two tranches, the first will be paid at the point we agree a timeframe for the migration, and the second will be paid upon completion of the project (up to 3 months from the point we will go live). We will also receive a small new burdens grant of around £10-15k for the additional work that is to help cover the additional costs.

7. Resource Implications

- 7.1 This project requires the coordination/collaboration of several key service areas as follows:



- 7.2 The Council's Land Charges team are working closely with HMLR to determine the amount of work needed to be undertaken in order for our data to be accepted by HMLR. A data download took place in December 2023 and the team is working with HMLR to cleanse this data of the 'anomalies' found. It is not a case of having provided incorrect data but identifying which elements on the maps are associated with a charge or not e.g. often BT kiosks, ruined elements of listed buildings or telephone boxes. We must check these and relay that the record is correct. It should be noted that at this stage HMLR have indicated that compared to other authorities our data is very good, which is a credit to the team and the Council

- 7.3 Currently the team members involved in this project have been able to carry out the review of a significant portion of the initial data cleansing requests. This is mainly because the housing market is slower at the moment, however if the housing market picks up additional temporary resource may be required to do this work. It is crucial that we keep to the timescale agreed as there are penalties via a reduction in the funding forthcoming if we miss the deadlines agreed. Therefore it needs to be acknowledged and accepted that additional resource may need to be brought in potentially. Progress is being closely monitored and all staff involved thus far and ongoing are logging the hours spent on this project.
- 7.4 On 17 April 2024, as we moved into the migration stage officially, we have been given a new 'dashboard' with additional requirements that require us to manually check thousands of records. Some amendments can be made digitally and we will be expected to resource these costs from the funding provided. Most of these will require collaborative work with Idox.
- 7.5 **Post migration**
The Council has one full-time local land charge officer dedicated to delivering this service (cover is provided by the part-time Team Leader). Staffing needs will be reviewed once the volume of work left with the Council is better understood, although registering of the NNDC charges, daily updates to HMLR and Con 29 and Con 29O search requests will remain. This exercise does not involve a transfer of staff from the Council to the Land Registry.

Comments from the S151 Officer

The financial implications of the transfer of part of the Land Charges function are contained in the report above. It is once the transfer takes place that we will need to look closely at the impact on our annual revenue budgets and resource required to deliver the service that will sit with the Council.

8. Legal Implications

- 8.1 In 2015, HMLR was given authority under the Infrastructure Act 2015 to create a single, national, digital register of Local Land Charges across England and Wales. The Local Land Charges Register whether operated by the Council or HMLR is a statutory duty function and data must therefore be registered in a specific way. Whilst there are no legal implications as such, incorrectly registered data could expose the Council to claims from customers of the HMLR, therefore it is important to maintain adequate insurance cover.

Comments from the Monitoring Officer

The Monitoring Officer will complete this section.

This report is for noting only but raises issues concerning anticipated loss of income as a result of the transfer of responsibility for Local Land Charges from the Council to HMLR. The report also raises the Council needs to meet agreed deadlines in the transfer process, or be at risk of loss of funding. In order to meet deadlines, there may be risk to other key tasks as the checking of thousands of records is time and resource intensive. There should be

sufficient monitoring to ensure that important key tasks, especially those with financial or statutory implications, are maintained.

9. Risks

- 9.1 This report illustrates that the transfer of key parts of the Local Land Charges service is set down in legislation, therefore no alternative course of action is available to the Council. The key risks are:
- Loss of income, as set out.
 - Loss of transition funds if migration in line with the deadline is delayed.
 - Retained responsibility for data and associated liabilities for any material errors in the data.
- 9.2 The risks to the Council are becoming clearer as we are presented with the feedback on the quality of our data. Land Registry use their experience to estimate – based on the quality of our data and migration of other authorities they have already migrated – the likely timeframe for completion. At this stage HMLR have indicated that compared to other authorities our data is very good. However there is evidence from other Authorities regarding their experiences which highlight the following project risks.

Warwick Council concluded some lessons learned which we are mindful of, including:

- Do not underestimate the time, energy and expertise required to drive your migration project. Even if your software supplier provides some of the tools, you may still have significant data cleansing tasks.
- Get the right staff resources on the project and keep an accurate record of time spent on the project
- Some Councils have suggested waiting for the HMLR payments before allocating staff resource/time to the project. This won't work as the burdens payments are not calculated or paid to Local Authorities until the end of the project!
- Although HMLR is taking over the LLC Register, Local Authorities are still responsible, as the originating authority, for maintaining the register and ensuring the data is accurate. So any queries regarding inaccuracies/anomalies will be referred by HMLR to the Local Authority to investigate, correct and respond.

To date all supporting service areas have been involved in the meetings arranged with HMLR and are aware of the process we will need to follow.

10. Net Zero Target

- 10.1 None

11. Equality, Diversity & Inclusion

- 11.1 None

12. Community Safety issues

- 12.1 None

13. Conclusion and Recommendations

The project team involved in migrating the data are working closely with HMLR and are currently able to meet the requirements to complete this

project within the given timeframe. HMLR have acknowledged the good quality of our data which is a credit to the team and the Council. Progress will be closely monitored and if it is identified that meeting the deadline is at risk then the team will look to bring in additional resource. Further progress reports can be brought to this Committee if it would like to receive them.

Agenda Item 14

Exemptions granted from 10 June 2024 – 19 August 2024

Date	Contractor	Type of Work	Amount (rounded to nearest pound)	Exemption (Chapter 9, Paragraph 11, Constitution)
26/6/24	BIP Solutions	Delta e-sourcing tendering solution and 20 tender boxes	£29,500 (plus VAT)	(I) 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).
30/7/24	Fisheries Liaison Officer for the Cromer and Mundesley Coastal Management Schemes.	To fulfil a requirement of the MMO licence to ensure we are compliant for the Mundesley Coastal Management Scheme. To ensure there is an independent person to certify the local fishermen and our contractor stay within the agreed corridors.	£20,000	G) Are for the supply of goods or services where there is only one supplier and no acceptable alternative; and (E) involve the provision of highly specialised professional legal or other services;

Notes

- The previous period reported to GRAC was for the period 8 March 2024 to 10 June 2024
- In that period 4 exemptions were reported to the Committee.
- The next reporting period to GRAC will follow on from the last reporting period.

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Agenda Item 15

Governance, Risk and Audit Committee

10 September 2024

Report Title		Committee's Training Needs Analysis and Feedback Survey Results	
Are there background papers?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Exempt	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Reason for Exemption?			
Decision for Full Council?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Contact Officer	Teresa Sharman, Head of Internal Audit for North Norfolk District Council		
E-mail address	teresa.sharman@southnorfolkandbroadland.gov.uk		
Telephone number	01603 430138		
Are there Non Electronic Appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
List of Background Papers (if applicable)			

Committee's Training Needs Analysis and Feedback Survey Results

Summary:

This report outlines:

- the results of the knowledge and skills self-assessment questionnaires completed and returned by Members and the suggested areas for training resulting from these.
- the results of the Governance, Risk and Audit Committee's feedback survey, sent to those who interact or rely on the work of the Committee.

Conclusions:

The knowledge and skills self-assessment indicates that short, general training and overview sessions for each of the nine knowledge areas would be beneficial, covering the core areas of understanding, whilst also giving Members the opportunity to raise any particular training needs related to each topic prior to each session.

Those who interact with the Committee or rely on its work, believe that the Committee is fulfilling its purpose.

Recommendations:

That Members note the collated results of the knowledge and skills self-assessment questionnaires **attached at Appendix 1** and discuss their training requirements across the nine knowledge areas.

That Members note the results of the Committee's feedback survey **attached at Appendix 2**.

Cabinet member(s):

All

Contact Officer, telephone number, and e-mail:

Ward(s) affected:

All

Teresa Sharman
01603 430138

teresa.sharman@southnorfolkandbroadland.gov.uk

1. Background

- 1.1. The Chartered Institute for Public Finance and Accountancy (CIPFA) document on "Audit committees - practical guidance for local authorities and police 2022" sets out the guidance on the function and operation of audit committees. It represents CIPFA's view of best practice. The guidance states the purpose of an audit committee "is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements."
- 1.2. Good audit committees are characterized by; objective, independent knowledgeable and properly trained members, a membership that promotes good governance principles, a strong, independently minded chair, an unbiased attitude, the ability to challenge when required.

- 1.3. There is a range of knowledge and experience that Members can bring to the Audit Committee that will enable it to perform effectively. No one committee member would be expected to be a specialist in all areas, but there are some core areas of knowledge that committee members will need to acquire.
- 1.4. It is good practice for audit committee members to review their knowledge and skills – for example, as part of a training needs analysis.
- 1.5. The CIPFA guidance provides a Knowledge and Skills Framework which can be used to guide members of the Audit Committee on their individual training needs and support the evaluation of the overall knowledge and skills of the committee.
- 1.6. The Knowledge and Skills Framework is split across nine knowledge areas (Audit Committee Role and Functions, Counter Fraud, External Audit, Financial Management and Financial Reporting, Governance, Internal Audit, Organisational Knowledge, Risk Management and Values of Good Governance), with 31 core areas of understanding to be scored.

2. Overall Position

- 2.1. Members were sent a knowledge and skills self-assessment questionnaire to complete. Four out of a possible six responses were received.
- 2.2. Results were anonymized and collated to give scores for each of the core areas of understanding, with total scores then calculated for each of the nine knowledge areas, **attached at Appendix 1**. The scores for each of the 31 core areas ranged from 10 to 19 out of a possible score of 20, indicating that as the scores fall within the upper half of the range of scores, Members have a general understanding of all areas.
- 2.3. The CIPFA guidance also suggested that audit committees seek feedback from those who interact with the committee or reply on its work. A survey seeking feedback was sent out to Cabinet Members and the members of the Corporate Leadership Team. Three out of seven surveys sent out were returned, and the results are summarised in **Appendix 2**.

3. Conclusions

- 3.1 It is suggested that a short, general training an overview session for each of the nine knowledge areas would be beneficials, covering the core areas of understanding, while also giving Members the opportunity to raise any particular training needs related to each topic prior to each session.
- 3.2 Those who interact with the Committee or rely on its work, believe that the Committee is fulfilling its purpose.

4. Recommendations

- 4.1 That Members note the collated results of the knowledge and skills self-assessment questionnaires **attached at Appendix 1** and discuss their training requirements across the nine knowledge areas.
- 4.2 That Members note the results of the Committee's feedback survey **attached at Appendix 2**.

Appendices attached to this report:

Appendix 1 – Collated results of the knowledge and skills self-assessment questionnaires

Appendix 2 – Results of the Committee's feedback survey

Collate results of knowledge and skills self-assessment questionnaires**Appendix 1**

Knowledge Area	Details of Core Knowledge Required	Total Score (/20)
Audit Committee Role and Functions	4. Familiarity with the committee's terms of reference and accountability arrangements.	15
	3. An understanding of the audit committee's role and place within the governance structures.	16
	5. Knowledge of the purpose and role of the audit committee.	15
	Total score (/ 60)	46
Counter Fraud	27. Knowledge of the principles of good fraud risk management practice in accordance with the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) .	13
	28. Knowledge of the organisation's arrangements for tackling fraud.	13
	26. An understanding of the main areas of fraud and corruption risk that the organisation is exposed to.	14
	Total score (/ 60)	40
External Audit	21. Knowledge about arrangements for the appointment of auditors and quality management undertaken.	15
	20. Familiarity with the auditor's most recent plan and the opinion reports.	16
	18. Knowledge of the role and functions of the external auditor and who currently undertakes this role.	14
	19. Knowledge of the key reports and assurances that external audit will provide.	14
	Total score (/ 80)	59
Financial Management and Financial Reporting	16. Knowledge of how the organisation meets the requirements of the role of the CFO as required by The Role of the Chief Financial Officer in Local Government (CIPFA, 2016) .	14
	15. An understanding of good financial management practice as set out in the CIPFA Financial Management Code (FM Code) and the level of compliance with it.	14
	14. Awareness of the financial statements that a local authority must produce and the principles it must follow to produce them.	14
	17. An overview of the principal financial risks the authority faces.	17
	Total score (/ 80)	59

Governance	7. The requirements of the AGS	12
	8. How the principles of governance are implemented locally as set out in the local code of governance.	13
	6. Knowledge of the seven principles* as outlined in Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) .	15
	Total score (/ 60)	40
Internal Audit	9. An awareness of the key principles of the PSIAS and the LGAN.	10
	10. How the role of the head of internal audit is fulfilled.	12
	11. Details of the most recent external assessment and level of conformance with the standards.	15
	12. Knowledge of the arrangements for delivery of the internal audit service in the authority and the charter.	13
	13. Internal audit's strategy, plan and most recent annual opinion.	14
	Total score (/ 100)	64
Organisational Knowledge	1. An overview of the authority's governance structures and decision-making processes.	16
	2. Knowledge of the organisational objectives and major functions of the authority.	17
	Total score (/ 40)	33
Risk Management	24. Understanding of risk governance arrangements, including the role of members and of the audit committee.	15
	23. Knowledge of the risk management policy and strategy of the organisation.	15
	25. Knowledge of the current risk maturity of the organisation and any key areas of improvement.	15
	22. Understanding of the principles of risk management, including how it supports good governance and decision making.	16
	Total score (/ 80)	61
Values of Good Governance	31. Knowledge of the whistleblowing arrangements in the authority.	17
	29. Knowledge of the Seven Principles of Public Life.	19
	30. Knowledge of the authority's key arrangements to uphold ethical standards for both members and staff (e.g., code of conduct).	18
	Total score (/ 60)	54

Results of the Committee’s feedback survey (from those who interact or rely on the Committee’s work)

Question	Answer
<p>1. What is your understanding of the role of the Audit Committee at the Council?</p>	<ul style="list-style-type: none"> • To ensure effective governance, corporate compliance and risk management. • The Governance Risk and Audit Committee is responsible for overseeing the council's governance structure, independently reviewing the council's financial and risk management and for ensuring internal controls are adequate for council services. • To make sure that we have the correct governance procedures in place and that they are being adhered to. To ensure that risk is properly recognised and managed. To review audits to ensure that audit recommendations are implemented so that services improve and delivered well.
<p>2. Please detail your interaction or involvement with the Audit Committee (this may be directly with the Committee or indirectly with Committee attendees or sight of reports)</p>	<ul style="list-style-type: none"> • I am a Cabinet Members and attend the committee • No direct involvement over past 2 years. Indirect involvement is via my role on the Council’s Corporate Leadership Team. • As Director of Resources, I am the member of the Corporate Leadership Team that attends GRAC and as there are a lot of areas that GRAC review that are my responsibility I bring a lot of the regular reports to the Committee.
<p>3. “The purpose of the audit committee 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 give greater confidence to all those charged with governance that those arrangements are effective. 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.”</p> <p>Having read the above paragraphs, do you believe that the Council’s Audit Committee is fulfilling this purpose?</p>	<ul style="list-style-type: none"> • Yes • Yes • Yes

4. In your view, is there anything the Audit Committee is not doing, or could be doing better?

- No matters of concern
- The Council has a new Chair of GRAC, and I believe that we will work well together and that she will focus on what she needs to focus on to ensure that the role of GRAC is successfully filled and undertaken.
- Not currently

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

Topic	Lead Officer	Comments	Cycle
9 July 2024			
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
Internal Audit Progress & Follow-up Report	Internal Audit – Teresa Sharman	To review progress on internal audit recommendations	Quarterly
External Audit Interim VFM Report for 2021/22 and 2022/23	External Auditor		Annual
External Audit Plan for 2023/24	External Auditor		Annual
Annual Report/Opinion & Review of the Effectiveness of Internal Audit	Internal Audit – Teresa Sharman		Annual
Appointment of an independent member	Monitoring Officer – Cara Jordan		Committee Request
GRAC self-assessment	Internal Audit – Teresa Sharman		Annual
10 September 2024			
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
Internal Audit Progress & Follow-up Report	Internal Audit – Teresa Sharman	To review progress on internal audit recommendations	Quarterly
AGS 23/24 & Local Code of Corporate Governance	Director for Resources – Tina Stankley	Review & approve AGS & Local Code of Corporate Governance	Annual
GRAC training needs	Internal Audit – Teresa Sharman		Annual
Effect of changes to Land Charges	Director for Resources – Tina Stankley		Committee Request
3 December 2024			
External Audit Letter	External Audit		Annual
Risk Management Framework	Director for Resources – Tina Stankley		
Corporate Risk Register	Director for Resources – Tina Stankley		Quarterly
Internal Audit Progress & Follow-up Report	Internal Audit – Teresa Sharman	To review progress on internal audit recommendations	Quarterly

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

Civil Contingencies Update	Resilience Manager		Annual
Procurement Exemptions Register	Monitoring Officer – Cara Jordan	To review Procurement Exemptions	Quarterly
Committee Self-Assessment Action Plan	Monitoring Officer – Cara Jordan	To complete the action plan	
25 March 2025			
Strategic and annual plans internal audit plan 2023/24	Internal Audit – Teresa Sharman		Annual
GRAC self-assessment	Internal Audit – Teresa Sharman		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
Internal Audit Progress & Follow-up Report	Internal Audit – Teresa Sharman	To review progress on internal audit recommendations	Quarterly

Governance, Risk and Audit Committee – 10 September 2024

Committee Work Plan Items

Following the Committee decision at its last meeting to accept the GRAC Self-Assessment Action Plan one of the actions in the plan was to ensure that only agenda items that align with the Committee's core functions or selected wider functions are addressed.

Accordingly, committee members were asked if there were potential future committee items that could be looked at.

The suggestions received from Committee members are –

1. Governance: Internal Audit focus on operational governance of financial controls and internal contract procedures. In addition, Cabinet and Full Council decision making on major Capital spending projects.
2. Project Management: Internal Audit looking at end-to-end project management and outcomes of major projects. Rocket House ought to be covered by this.
3. Business Continuity: The committee should look at Business continuity as this was raised as needing some further work.
4. Risk: Dwell more deeply on the Risk Register. This is something that will constantly change. We look at strategic risks, are there any operational ones we ought to bring into scope?

Committee Terms of Reference

For information the Committee's Terms of Reference that are set out in the Council's Constitution are –

The purpose of the Governance, Risk and Audit Committee is to monitor governance, risk management and internal control arrangements at the Council, to provide independent assurance that these are effective and efficient.

This is achieved through key regular items received by the Committee in relation to, but not limited to; internal and external audit, key finance items, governance reviews and strategic risk management reporting.

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.

External Audit

To consider annually the External Audit plan of work.

To consider External Audit reports and letters.

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.

Risk Management

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

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.