

GOVERNANCE, RISK AND AUDIT COMMITTEE

Minutes of the meeting of the Governance, Risk and Audit Committee held on Tuesday, 24 March 2026 at the Council Chamber - Council Offices at 2.00 pm

Committee

Members Present:

Platten

Cllr C Cushing

Officers in

Attendance:

Director for Communities, Assistant Director for Finance, Assets, Legal & Monitoring Officer and S151 Officer and Director of Resources Democratic Services Governance Officer (DSGO), Head of Internal Audit (HIA). Programme and Project Manager(s) (PPM)
Cllr A Fletcher (Vice-Chairman) Cllr V Holliday

1 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies received from Cllr S Bütikofer, Cllr W Fredericks and Cllr S Penfold

Cllr Fletcher introduced himself and confirmed that he would be chairing the meeting in the absence of Cllr Bütikofer.

2 SUBSTITUTES

. Substitutes were Cllr P Heinrich, Cllr E Tooke and Cllr P Fisher.

3 PUBLIC QUESTIONS

None

4 ITEMS OF URGENT BUSINESS

None

5 DECLARATIONS OF INTEREST

None

6 MINUTES

Cllr Cushing proposed and Cllr Holliday seconded that the minutes of 12th February 2026 be approved as a correct record. It was **unanimously resolved** to do so by the members of the Committee who were present at that meeting.

7 GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST

The DGSO provided the Committee with a brief update on the outcomes and action list noting that the Committee may wish to consider downgrading item 40 in accordance with the comment on the report.

8 INTERNAL AUDIT PLAN 26/27 CHARTER & MANDATE

The HIA presented the plan. She explained that an analysis of the 24/25 recommendations, the risk register and a discussion with the Executive team informed the plan. She also referred the Committee to the updated mandate and charter which was before the Committee for approval, noting that it refers to the global internal audit standards in the public sector, the Nolan principles, and a new section on communication with key stakeholders.

The Independent Person asked about the legacy of activity and what happens after an audit, namely how recommendations from audits are embedded into activities. DFR clarified that recommendations are assigned to a senior responsible officer and that regular updates were presented to this Committee.

Cllr Cushing asked for clarification as to the use of RAG ratings on page 29, particularly the status of the food waste activity the housing delivery target both being identified as amber. The HIA confirmed that these ratings were taken from the corporate risk register at the time of writing the report.

Cllr Heinrich proposes and Cllr Cushing seconded and the Committee **unanimously resolved** to approve the Internal Audit Plan 2026/27 and the Internal Audit Charter and Mandate.

9 INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT MARCH 2026

The HIA updated the Committee on matters since the report was written, namely that the procurement report had started, a draft report on Corporate Governance audit has been issued, the PPM audit remains behind, and the draft report is awaited. There are 2 final executive report summaries for the follow up work relating to risk management and workforce strategy and development audits. In addition, the HR application audit planned had been cancelled as the new system had not been purchased at this point. She noted the 25 outstanding recommendation and explained that the recommendation relating to land charges had been closed.

Cllr Heinrich asked for clarification on the outstanding recommendations relating to Cyber Security. The Chair noted those recommendations were due at the end of the month. DFR confirmed the actions were due in the next 7 days and understood it related to documenting all data and assets, noting that this would be necessary for LGR in any event. The DSD added that the recommendations are reviewed monthly and there is a slight lag in terms of what is reported to this Committee.

The Independent Person noted the executive summary on risk management and asked whether the intention was to include some of those insights into the Committee's June session on risk management generally, together with his previously submitted thoughts on improving risk management. The HIA noted that

the Committee received a monthly report on risk management. The Independent person reflected that the insights from this audit would be useful for the June discussions.

Cllr Cushing referred to page 82 and the key control and assurance relating to sums due under penalty charge notices administered by KLWNBC. The DFR confirmed to the Committee that KLWNBC provided an outsource service and that the agreement included a 60/40 split of penalty charges. He believed the audit recommendation related to a lack of information to reconcile the payments, however there was no evidence to suggest NNDC was not receiving the correct sums. Recently there had been greater momentum of information from KLWNBC.

The Chair asked for further information relating to the S.106 arrangements (page 88). The DSD confirmed that the issue for potential clawback was under control and audit recommendations in this regard would be closed off at the next update. The Chair noted the requirement to ensure regular reporting. The DSD updated the Committee on the EXACOM system and appropriate staffing in this area and that the recommendation in this regard is close to be completed.

The Independent Person asked for an explanation of the conditions that need to exist to close a recommendation. The HIA explained that for some recommendations, such as “implement a procedure”, these were easier to identify closure evidence which would be signed off by the auditor. Some recommendations were not as clear and where some difficulty appears as there may not be so clear evidence and requires a conversation between Officers and HIA to assess closure.

Cllr Tooke proposed and Cllr Fisher seconded that the Committee note the progress with the 2025/26, Internal Audit Action Plan and outstanding recommendations and approve the change to the Internal Audit Plan. It was **resolved unanimously** to do so.

10 CORPORATE RISK REGISTER

The Chair noted that it was recommended that the introduction of the Renters Rights Act be added to the corporate risk register and invited questions.

Cllr Cushing asked for clarification of the risk associated with failure to meet the statutory deadline for the collection of food waste. The DSD confirmed that this had been addressed in terms of likelihood in the most recent update whilst noting that NNDC was in a similar position to many other authorities given that NNDC placed its order for vehicles in May 2025 and they are yet to be delivered. He suggested implementation was likely in February 2027 to avoid a Christmas roll out.

The Independent Person suggested an Executive Summary would be useful in the overview section, setting out what really matters in the document and the things the Committee might need to discuss. The DSD confirmed that the suggestions previously made by the Independent Person had been reviewed by the Executive team and he was keen to incorporate those ideas together with the output from the Internal Audit in this area and an Executive Summary could be included highlighting the biggest risk.

Cllr Cushing asked a question regarding risk CR10, housing target, the risk being that the Council won't meet the higher target of 932 houses and he was unclear why the risk was classified as amber. The DSD stated the risk was identified during the local plan, the adoption of the local plan meant the number was reduced to 551

dwelling and therefore the risk should have been assessed accordingly. However now government was stating that NNDC should start developing a new local plan within a 30-month window, a new target would become relevant and therefore the risk needed updating accordingly. Cllr Cushing suggested that given how the risk was currently structured it was hard to identify the risk and impact and consequence and that the target of 932 dwellings was unachievable. The DSD stated that consideration of how risks were identified and consequences noted could be further improved, with training for risk owners as necessary.

Cllr Holliday asked about CR24, people resources, which didn't appear to consider LGR and CR26 impact of economic fluctuations on North Norfolk, which refers to the medium-term financial strategy as a mitigation, noting that the strategy itself carried considerable risk. The DFR noted there were some vacancies which are seeking to be filled and that there was an element of "churn", to mitigate the risk there has been earmarked a reserve for LGR to fund where additional resources are needed for the LGR process. He stated it was unclear how much resource would be needed which will be impacted by the "minded to" decision.

With regard to the MTFs, he stated that the strategy helps assess the impact of key variables such as interest rate, reduction in tax collection but that a lot had happened in the last few weeks. NNDC had a prudent level of reserves which would see the council through short term fluctuations.

The Independent Person suggested the relevant officer might review risk CR24 once the "minded to" decision had been given as from his experience this risk could increase with a need to consider such things as business continuity and knowledge transfer. The DSD acknowledged the issue, believing that the risks could be different depending on the decision but given a number of areas where LGR was happening there was a degree of isolation which may reduce the issue but close monitoring was taking place.

Cllr Heinrich proposed and Cllr Fisher seconded that risk CR045- Introduction of Renters Rights Act will generate additional workload, through implementation requirements and actions of landlords prior to legislation taking effect be added to the Corporate Risk Register. The Committee **resolved unanimously** to do so.

11 MAJOR PROJECTS OVERSIGHT BOARD

The DFR presented the report, explaining to the Committee that the Major Projects Oversight Board met bi-monthly and whilst not a decision-making body it reviewed the progress and risk management of significant project and any issue be reported to the appropriate channel.

Cllr Cushing asked whether the Board meeting every 2 months was sufficient. The DFR believed that it was sufficient at the present time, noting that many of the projects had their own delivery boards. He confirmed the board received information from the project management team and that some projects, at the discretion of the Board, would be subject to a "deep dive", recently including the projects relating to FLASH, Rocket House, Pier sub-structure work and the Watch House.

Cllr Holliday asked whether the list of projects was extensive enough. The DFR believed the list was comprehensive. The next deep dive was on the domestic food waste project. The Coastwise programme was at the Oversight Board at the following Board, given the change to funding of that programme, the Coastwise board itself needed to understand its direction of travel which would then be

considered by the Oversight Board. The DFR referred to the full list of projects at item 13 and suggested that the reports at item 11 and 13 be combined in the future. The Independent Person believed that would be appropriate. He believed that it was appropriate for the Committee to be well sighted on Major Projects and that it was important to see the detail and to be fed into the Committee.

Cllr Holliday proposed and Cllr Cushing seconded and the Committee **resolved unanimously** that the reports within this item 11 and that contained within item 13 be amalgamated in future.

The Committee noted the report.

12 TREASURY MANAGEMENT Q3 REPORT

The DFR presented this regular report to ensure compliance with Treasury management Strategy. and noted that the economic overview was based on information up to December 2025. He brought the Committee attention to page 150 noting that variation caused by slippage in capital programmes. Where financing was required, internal borrowing was being utilised where possible to reduce financing costs.

The Chair noted current events might impact, including issues of homelessness and asked for information as to the use of the second homes council tax in this regard. The DFR noted a pressure on the revenue budget was the cost of bed and breakfast accommodation for families, the shortfall last year was approximately £400k. The decision was taken last year to use NNDC share of the second home council tax to fund this cost. NNDC was investing these funds in its own stock of temporary accommodation, intending to buy another 2 units this month and utilising additional grant funding, to buy a further 12 units next year. This meant that NNDC could guarantee accommodation and would be a cheaper solution. He suggested that both cost of living issues and the impact of the Renters Rights Act may impact on demand.

The Independent Person suggested an Executive Summary would be useful identifying the conclusion and impact on the Council.

Cllr Holiday asked where any “buffering” would be available given the current situation. The DFR stated that the cash balances were approximately £16m in short term cash deposits and £20m in investment funds meaning that NNDC had a significant buffer. In terms of balancing fiscal challenges, there was a general reserve of approximately £2m and he anticipated this would increase by another £1m at the end of the year...Therefore in terms of the next 6-12 months there was a robust buffer. As a s.151 Officer his concern was the revenue support grant and other grants from government would be reduced.

Cllr Heinrich proposed and Cllr Fisher seconded that it be recommended to Full Council that the Treasury Q3 Report 2025/26 be noted. The Committee **resolved unanimously** to do so.

13 PROJECT MANAGEMENT UPDATE

The Corporate Project and Programme Managers provided the Committee with insight into their work. Since they had last appeared before the Committee they had undertaken some work on strengthening project governance and this involved formation of a PM working group, reviewing project sizing, reaffirming the need for

proposal documents, the establishment of a planning workshop and the development of process for a resourcing framework prior to LGR. They reported on the enhanced matrix management of project management and reporting into the Major Project Board, increased collaborative working with service areas, and the improved project closure process. They also noted the cross collaboration ongoing in connection with LGR.

The Independent Person suggested that an executive summary highlighting reoccurring themes would be useful, the quality of project delivery was worth capturing together with an idea of delivery confidence. Planning abilities and governance process. The PPM's suggested that ongoing allocated oversight of project by the team together with their attendance at Project Boards assisted.

Cllr Cushing noted that he used to seeing projects with one RAG rating but asked for definition of each RAG. PPM confirmed red reflected serious problems out of tolerance, amber problems but within contingency plan, green equates to no problem or only minor issues. The Independent Person asked that in future reports any project with a RAG other than green, a reason was identified.

The Committee noted the report

14 PROCUREMENT EXEMPTIONS REGISTER

The Monitoring Officer presented the report which was noted by the Committee.

15 GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME

The DGSO updated the Committee.

16 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at 3.40pm

Chairman