

# 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 **Council Chamber - Council Offices** on **Tuesday, 24 March 2026** 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: [democraticservices@north-norfolk.gov.uk](mailto:democraticservices@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:** Platten, Cllr S Bütikofer, Cllr C Cushing, Cllr A Fletcher, Cllr V Holliday, Cllr S Penfold and Cllr W Fredericks

All other Members of the Council for information.

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



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

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

**Chief Executive:** Steve Blatch

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## A G E N D A

**1. TO RECEIVE APOLOGIES FOR ABSENCE**

**2. SUBSTITUTES**

**3. PUBLIC QUESTIONS**

To receive public questions, if any.

**4. ITEMS OF URGENT BUSINESS**

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

**5. DECLARATIONS OF INTEREST**

1 - 6

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

**6. MINUTES**

7 - 12

To approve as a correct record, the minutes of the meeting of the Governance, Risk & Audit Committee held on 12<sup>th</sup> February 2026.

**7. GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST**

13 - 16

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

**8. INTERNAL AUDIT PLAN 26/27 CHARTER & MANDATE**

17 - 52

To receive a report from the Internal Auditor on the Internal Audit Plan 2026/2027 Charter and Mandate.

**Recommendation:** That the Committee is requested to review and approve:

- The Internal Audit Plan 2026/27 and Internal Audit Charter and Mandate.

**9. INTERNAL AUDIT PROGRESS & FOLLOW-UP REPORT MARCH 2026**

53 - 96

To receive a report from the Internal Auditor on Internal Audit Progress & Follow-up Report.

Recommendation: That the Committee is requested to:

- Receive and note progress with the 2025/26 Internal Audit Plan and outstanding recommendations.
- Approve the change to the Internal Audit Plan

**10. CORPORATE RISK REGISTER**

97 - 124

To consider a report from the Council’s Director for Resources on the Council’s Corporate Risk Register.

<b>Q3 - Corporate Risk Register</b>	
<b>Executive Summary</b>	The Corporate Risk Register is reviewed by Committee annually and removal of risks where the residual risk score has met the target are proposed.
<b>Options considered</b>	Updating and sharing the corporate risk register represents good governance so no other options were considered.
<b>Consultation(s)</b>	All officers with responsibility for managing specific risks.
<b>Recommendations</b>	Recommended that the following is added to the Corporate Risk Register:  CR 045 - Introduction of Renters Rights Act will generate additional workload, through implementation requirements and actions of landlords prior to legislation taking effect
<b>Reasons for recommendations</b>	Introduction new legislation which impacts a number of service areas across the Council
<b>Background papers</b>	Risk Management Policy and Framework adopted by GRAC 3 December 2024

**11. MAJOR PROJECTS OVERSIGHT BOARD**

125 - 132

<b>Major Projects Oversight Board report March 2026</b>
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<b>Executive Summary</b>	The Major Projects Oversight Board meets bi-monthly to review the progress and risk management of the significant projects. Specific projects are selected for closer examination in turn. No significant changes in risk profile, project delivery or outcomes have been identified that need to be escalated to the Committee.
<b>Options considered</b>	Not applicable report for information.
<b>Consultation(s)</b>	Not applicable report for information.
<b>Recommendations</b>	Committee is requested to note the report.
<b>Reasons for recommendations</b>	Report for information.
<b>Background papers</b>	None

12. **TREASURY MANAGEMENT Q3 REPORT**

133 - 152

<b>Treasury Management Q3 Report 2025/26</b>	
<b>Executive Summary</b>	This report sets out the Treasury Management activities undertaken during the third quarter of the 2025/26 Financial Year. This is to give members a regular update on treasury management activities.
<b>Options considered</b>	This report must be prepared to ensure the Council is compliant with the CIPFA Treasury Management and Prudential Codes.

<b>Consultation(s)</b>	Cabinet Member Section 151 Officer  This report has been prepared with the assistance of MUFG Treasury Services, the Council's Treasury advisors.
<b>Recommendations</b>	To recommend to Full Council that the Treasury Q3 Report 2025/26 is noted
<b>Reasons for recommendations</b>	Updating Members demonstrates compliance with the Prudential Code to ensure adequate monitoring treasury management activity.
<b>Background papers</b>	The Council's Treasury Management Strategy 2025/26. Treasury Management Q1 Report Treasury Management Mid-Year Report

**13. PROJECT MANAGEMENT UPDATE** 153 - 158

The Corporate Programme and Project Manager to provide an update on the work of the Project Management Team.

**14. PROCUREMENT EXEMPTIONS REGISTER** 159 - 160

To consider the Procurement Exemptions register.

**15. GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME** 161 - 162

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

**16. 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.”

## 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](#).

<b>Subject</b>	<b>Description</b>
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain. [Any unpaid directorship.]
<b>Sponsorship</b>	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.
<b>Contracts</b>	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>
<b>Land and Property</b>	<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>
<b>Licenses</b>	<p>Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer</p>
<b>Corporate tenancies</b>	<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>
<b>Securities</b>	<p>Any beneficial interest in securities* of a body where—</p> <p>(a) that body (to the councillor's knowledge) has a place of business or land in the area of the council; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were</p>

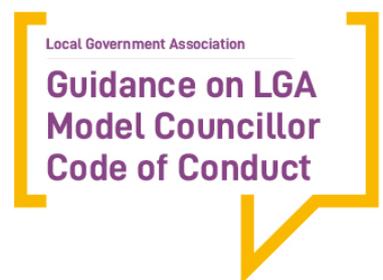
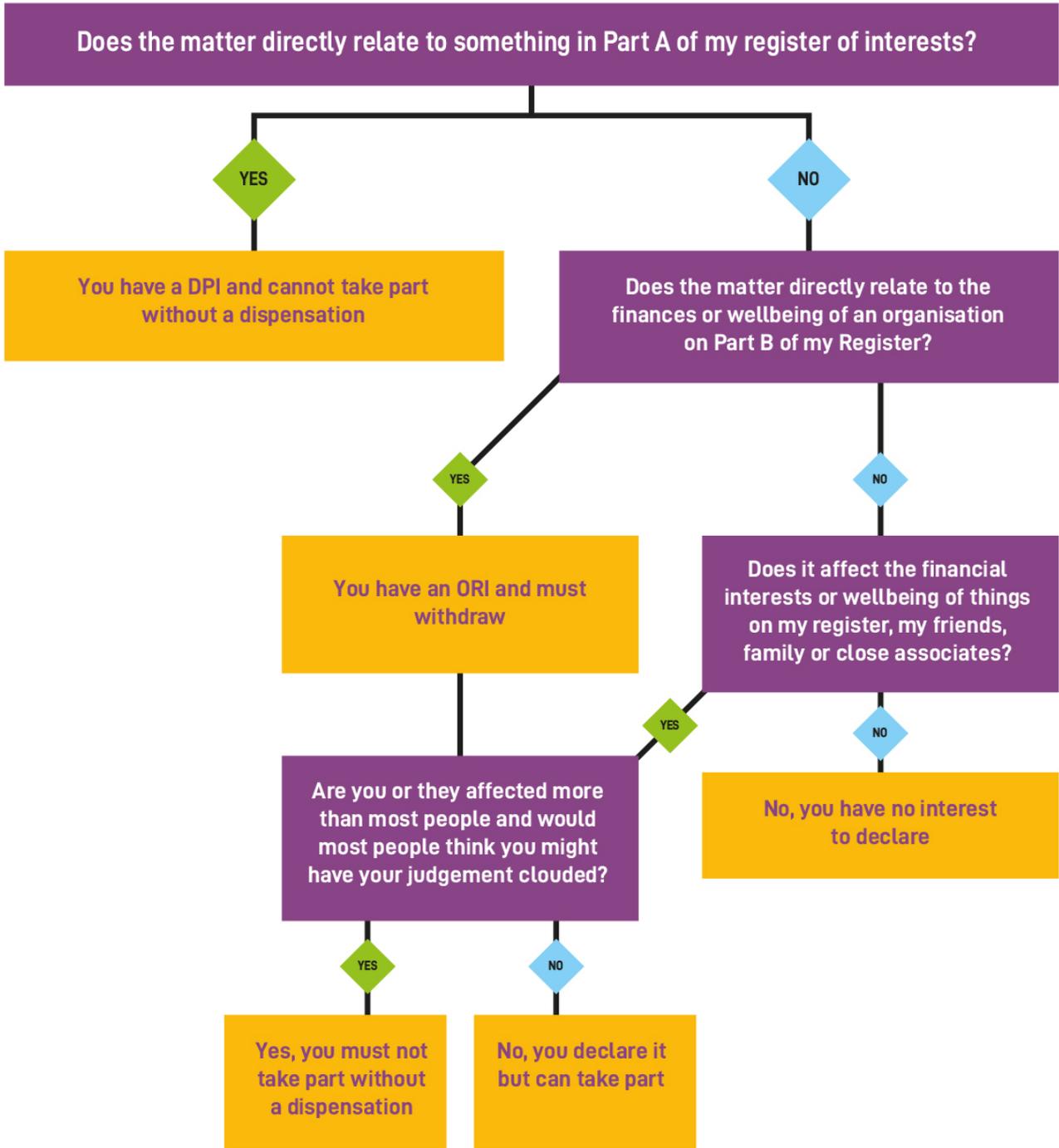
	spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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\* 'director' includes a member of the committee of management of an industrial and provident society.

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

**Table 2: Other Registrable Interests**

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

Minutes of the meeting of the Governance, Risk and Audit Committee held on Thursday 12<sup>th</sup> February 2026 at the Council Chamber - Council Offices at 2.00 pm

### Committee

**Members Present:** Cllr A Fletcher (Vice-Chairman) Cllr V Holliday  
Mr V Platten (IP) Cllr W Fredericks  
Cllr C Cushing

### Members also attending:

**Officers in Attendance:** Chief Executive Officer (CEO) Director of Service Delivery (DSD), Director for Resources for Communities (DRC), Assistant Director Legal and Governance, Monitoring Officer (MO), Assistant Director for Finance and Assets (ADFA) Democratic Services and Governance Officer (DSGO), External Auditor (EA)

### 52 APOLOGIES FOR ABSENCE

Cllr Fletcher introduced himself and confirmed that he would be chairing the meeting in the absence of Cllr Bütikofer. The committee wished Cllr Bütikofer well after her accident.

Apologies were received from Cllr Bütikofer and Cllr Penfold

### 53 SUBSTITUTES

None.

### 54 PUBLIC QUESTIONS

None received.

### 55 ITEMS OF URGENT BUSINESS

None.

### 55 DECLARATIONS OF INTEREST

None.

### 56 MINUTES

Cllr Cushing proposed and Cllr Holliday seconded and the Committee **Resolved** unanimously that the minutes of the meeting of the Governance, Risk & Audit Committee held on the 10th of December 2025 be approved as a correct record.

### 57 2024/2025 EXTERNAL AUDIT OF FINANCIAL STATEMENTS

The Chair invited the EA to comment on the 2024/25 External Audit Report.

The EA referred to the context of the audit as detailed in the report, including proposed reform of the regulatory environment and that this was the first audit undertaken in 4 years and it was important to remember that this was the first step in rebuilding that. He referred the Committee to the scope of the audit and the change in the materiality assessment which is a usual and an expected change. He confirmed that the weakness detailed during their value for money work concerning the Council's financial reporting arrangements remained.

He referred the Committee to the report outlining the status of Audits undertaken and provided an update on areas where work had been ongoing, noting that they had been unable to finish the testing in respect of Capital Grant receipts in advance nor in connection with IFRS 16- Leases, however the other outstanding areas had been completed.

The EA brought pages 30-31 of the report to the attention of the Committee, confirming this was a new analysis assessing key areas which support timely and accurate provision of working papers and facilitate the rebuilding of the audit process in the Council. It identified the weaknesses and discussions with Officers were ongoing to improve these areas.

He similarly drew page 64 of the pack to the Committees attention, this detailed the fastest process to a full assurance, based on the National Audit Office (NAO) guidance. The Council was behind that timeline at the moment. Pages 65-67 set out where the assurance came from, with areas turning amber or green in terms of the level of assurance.

Cllr Fredericks thanked Officers and External Auditors for their work. She asked the ADFA whether there were sufficient resources in place to continue with the trajectory of improvement. He confirmed the Finance team was focussed on improvement and in terms of resources, the challenge was like other Councils, and the team were doing the best possible. The DRC thanked the Finance team for their work in supporting audit field work and finalising the budget simultaneously, noting that whilst there were gaps in resources, the team now had both a S151 Officer and a deputy.

The IP asked for information on what happens next and by when to ensure momentum is maintained. The ADFA confirmed that the accounts were yet to be signed, and on completion, concrete plans would be put in place but referred the Committee to the Annual Governance Statement (AGS) on the agenda which had some of the actions reflecting the audit. They would look at individual items after the audit and possibly bring back that action plan to the committee when that was completed, and it was known what they were looking to implement and to change.

Cllr Holliday asked the EA if, given that this was the first audit for 4 years, whether any of the findings were a surprise. The EA stated that he had hoped for a positive trajectory and had seen that. In the future they hoped to provide a comparison as to where the Council was compared to others and some best practice case studies. He identified that within 2 years the period for completing the work would be 3 months shorter and this would require fundamental improvements to be made across all Councils. It was the EAs fear that the level of assurance would begin to dip again as they had less time to build assurance. At the request of Cllr Holliday, the EA confirmed that benchmarking exercise would be shared with the council.

The EA confirmed, following a question from Cllr Cushing, that this would be a

disclaimed report, noting that this was always going to be the case given the lack of assurance over opening balances and that the Council was in a very similar position to others. Cllr Cushing asked for information as to whether the factual misstatements noted in the report were surprising and made any difference to the current budgeting process. The ADFA noted page 52 showed the net impact of those issues, noting the majority was moving the line from one area to another. The DRC confirmed that some matters were timing issues but there were lessons to learn regarding cut off procedures and year end close cash balances, for which they had an action plan in place to implement those for the coming year end, as well as valuations and classifications of assets.

The CEO noted that given LGR he couldn't give Cllr Cushing the reassurance he was seeking that the Council would continue improvement. He noted that the reorganisation proposed would require significant Member and Officers involvement and therefore the stretch targets identified would be difficult given the external environment. The IP suggested an action plan which identified the things that mattered the most to get close to a qualified audit next time. The External Auditor suggested that section 6 of the report could form the first step of such a plan. The DRC confirmed an intention to draft an action plan for the next 12-14 months and committed to present that to the Committee. The IP noted that the Council had a project management team who might be able to support that process.

Cllr Fredericks was pleased to note that there would be a Grants register for the Council and asked that be prioritised if possible.

Cllr Holliday asked for assurance that the Statement of Accounts reflected the audit. The EA confirmed that the final process of checking was being undertaken, the ADFA confirmed that the Accounts reflected the audit adjustments subject to final checks.

## **58 DRAFT STATEMENT OF ACCOUNTS**

The ADFA confirmed that the accounts before the Committee were as presented to the Committee in September, updated to reflect the Audit findings and adjustments. He brought the Committees attention to a clerical error on page 145, the comment required to be deleted as the question had been resolved.

Cllr Cushing noted the significant variance in terms of the outturn and asked what lessons had been learned and if there was any assurance this year's outturn would be closer to what they anticipated seeing. The ADFA stated that the period 10 budget monitoring process was trying to scrutinise the information provided by budget managers to improve the outturn accuracy. The IP expressed surprise at the scale of variance, capital spend, in particular, and questioned forecasting processes in place and asked how it was being addressed to ensure mid-years adjustments to reflect risks. The IP felt money was being tied up in Capital Projects that could have been used elsewhere. Cllr Fredericks noted that grants received unexpectedly could impact on the position. The CEO confirmed that the variance in respect of investing in communities related to the Fakenham Leisure Centre that was an offer of grant that was made to the authority through the levelling up programme of the previous Government, there was then a delay in the incoming Government to confirm they had the funding and the Council's ability to procure and secure planning permission within the time envisaged.

The Chair noted that the recommendation was to approve the audited Statement of

Accounts and to delegate authority for the Chair of the Committee to sign, he proposed an amendment to this recommendation to allow the Deputy Chair to sign in the absence of the Chair, this was seconded by Cllr Fredericks.

The Committee unanimously **resolved** to agree this amendment.

It was proposed by Cllr Fredericks and seconded by Cllr Holliday and unanimously **resolved** by the Committee to approve the audited Statement of Accounts, reflecting completion of the external audit.

## 59 ANNUAL GOVERNANCE STATEMENT

The ADFA confirmed that this statement in respect of 2024/25 was first brought to the Committee in September of last year, but it had now been updated to reflect the findings of the audit report.

The IP noted the action plan within the statement. He asked that when there was a target date that it was baselined so changes to that target date would have visibility. He also asked for priorities to be identified more clearly. The ADFA confirmed that tracking when target dates were there could be built in and progress reported against actions with an updated position being reported to the Committee at a later date. However, the ADFA felt that to rank priorities could be difficult as they were key governance issues identified for background information in preparing the Annual Governance Statement.

Cllr Holliday was pleased to note the audit opinions were all assured and asked how this linked to the audit opinions in various audit reports that were presented to the Committee. The ADFA confirmed that the audit opinions on page 196 were those given by internal audit.

Cllr Cushing asked whether the action plan came back to the Committee outside the scope of this report, the ADFA confirmed that some issues came back to the Committee but suggested such actions could be brought back to the Committee and confirmed, that by way of example, the IT strategy was significantly progressed and near completion. The CEO confirmed that the internal audit action plans were reported to the Committee and that internal audit was used as an improvement tool, using a risk-based approach.

It was proposed by Cllr Fredericks and seconded by Cllr Holliday that the Committee **approved** the Annual Governance Statement for the year ended 31 March 2025, to be signed by the Chief Executive, and leader of the Council.

The Committee unanimously **resolved** to approve.

## 60 TREASURY MANAGEMENT STRATEGY

The ADFA explained that it was a statutory requirement to prepare this document in accordance with the relevant standards and it set out the strategy for matters such as cash flow, investing surplus funds and borrowing.

Cllr Holliday noted that on page 220 there was a discrepancy between CFR on table A and table B. ADFA confirmed that the figures in table A and table B were different given that table B figures reflected projections should all capital bids be approved by

Full Council. Cllr Holliday also asked for clarification, given that on page 225 it appeared that in respect of the treasury portfolio, the ratio between in and out of house management had changed significantly. The ADFA confirmed that this reflects the cash flow this year had been a little easier than the previous year.

Cllr Cushing asked for details of the impact to the Council should gilt yields increase markedly. The ADFA stated the report set out the rates at the time of the report and part of the budget process rates are forecast. He confirmed that the £5m borrowing was at a fixed rate.

The Chair asked about the table on page 219 which appeared to show a significant rise in borrowing over the years. The ADFA stated that the table detailed the net financing need for the year and cash flow was managed to minimise the need for borrowing so whilst the figure looks larger, it reflected the need to borrow rather than the actual borrowing.

Cllr Cushing proposed and Cllr Fredericks seconded the recommendation.

The Committee **Resolved** unanimously to recommend to Full Council that the Treasury Management Strategy 2026/27 be approved.

## **61 GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST**

The DSGO outlined updated position on the remaining points of the action list, confirming he had sent updates via email as those were now resolved. He highlighted a clerical error which stated the second part of the CIPFA Self-Assessment would in fact take place in March 2026 and not March 2025 as stated on the report. Also, that the Licensing Policy was due to be presented to the committee in June 2026.

It was suggested by the DSGO that the action on property assessments, that related to the Local Plan, which had now been approved, the committee may wish to consider reviewing and possibly downgrade.

The Chair thanked the IP for his observations on the Corporate Risk Register and Cllr Cushing asked if these could be discussed more fully at the earliest opportunity. The DSGO said the Risk Register came to the Committee every 3 months so this could be done with the agreement of the committee. The DSD confirmed he was working on actions but to consider the observations made by the IP may be too soon to discuss for the next meeting, in March, as he had yet to see those observations himself. It was agreed the DSGO would get those to the DSD as soon as possible.

## **62 GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME**

The DSGO confirmed no material changes to this programme.

## **63 EXCLUSION OF THE PRESS AND PUBLIC**

The meeting ended at 3.20 pm.

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Chairman

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**GOVERNANCE, RISK & AUDIT COMMITTEE 24 MARCH 2026 – OUTCOMES & ACTIONS LIST**

MINUTE NO.	ACTION OPENED	AGENDA ITEM AND ACTION	ACTIONED BY	DEADLINE	ACTION CLOSED
40		<b>GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST</b>			
	<b>Dec 2024</b>	<p><b>Actions flagged as still outstanding:</b></p> <p>The Performance Manager to discuss with the responsible Officer the lack of property assessments and the Committee to be updated on appropriate Property assessments.</p>	<b>ADFA</b>	<b>ASAP</b>	<p><b>02/02/2026:</b> ADFA kindly provided answers to asset inspections, but action was more on property assessments linked to Local Plan. Discussed with Chair. May need the Committee to consider reviewing and possibly downgrading.</p>
42		<b>INTERNAL AUDIT PROGRESS &amp; FOLLOW UP REPORT</b>			
	<b>Dec 2025</b>	To update the Licensing Policy by March 2026.	<b>DSD</b>	<b>By next meeting (June 2026)</b>	<p><b>19/12/2025: Update from ADELS</b> The Licensing Policy is presently being updated for presentation to committee in June 2026 following the relevant consultation periods. Premises have the duty to pay</p>

					annual fees when they are due. The revised policy will focus on that duty.
46		<b>CORPORATE RISK REGISTER</b>			
	<b>Dec 2025</b>	<p>Independent Person to write in with suggestions that might help going forward with the risk register. This will be shared with the Committee upon receipt by the DSGO.</p> <p>The DSD to ask relevant Officer to revisit the risk for the Local Plan and the expected delivery of 'x' number of houses per year. Currently at Amber.</p>	<p><b>DSGO</b></p> <p><b>DSD</b></p>	<p><b>ASAP</b></p> <p>By next meeting (March 2026)</p>	<p><b>06/02/2026:</b> IP sent in suggestions and shared with the Committee. To be discussed at June 2<sup>nd</sup> meeting</p> <p><b>02/02/2026:</b> CLT reviewing as part of the Risk Register.</p>
49		<b>GOVERNANCE, RISK &amp; AUDIT COMMITTEE WORK PROGRAMME</b>			
	<b>Mar 2025</b>	Self- assessment – to confirm when this will take place	<b>HIA</b>	Second part of CIPFA Self-Assessment to be completed at June 2026 meeting	<b>June 2026</b>

<b>57</b>		<b>2024/2025 EXTERNAL AUDIT OF FINANCIAL STATEMENTS</b>			
	<b>Feb 2026</b>	The Independent Person suggested an action plan which identified the things that mattered the most to get close to a qualified audit next time. The IP noted that the Council had a project management team who might be able to support that process.	<b>DRC</b>	The DRC confirmed an intention to draft an action plan for the next 12-14 months and committed to present that to the Committee.	<b>June 2026</b>
<b>59</b>		<b>ANNUAL GOVERNANCE STATEMENT</b>			
	<b>Feb 2026</b>	Independent Person asked that when there was a target date that it was baselined so changes to that target date would have visibility.	<b>ADFA</b>	The ADFA confirmed that tracking dates could be built in and progress reported against actions with an updated position being reported to the Committee at a later date.	<b>Sept 2026</b>

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# Agenda Item 8

Governance, Risk and Audit Committee

24 March 2026

Report Title		Internal Audit Plan, Charter and Mandate	
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	<a href="mailto:teresa.sharman@southnorfolkandbroadland.gov.uk">teresa.sharman@southnorfolkandbroadland.gov.uk</a>		
Telephone number	01603 430138		
Are there Non Electronic Appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
List of Background Papers (if applicable)			

Agenda Item No \_\_\_\_\_

**Internal Audit Plan 2026/27, Charter and Mandate**

**Summary:** This report provides details of the Internal Audit Plan 2026/27, and the Charter and Mandate.

**Conclusions:** The Internal Audit Plan 2026/27 has been developed and agreed with management addressing corporate risks and priorities.

**Recommendation:** That the Committee is requested to review and approve:

- The Internal Audit Plan 2026/27 and Internal Audit Charter and Mandate.

Cabinet member(s): Ward(s) affected:

All

All

Contact Officer, telephone number,  
and e-mail:

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**1. Background**

1.1 An Internal Audit Plan 2026/27 has been established with senior management and is shown within the report. The Charter and Mandate has been reviewed and updated for the CIPFA Application Note – Global Internal Audit Standards in the UK Public Sector. The changes include: -

- Global Internal Audit Standards changed to Global Internal Audit Standards in the UK Public Sector throughout.
- Reference to the Nolan Principles under the Ethics and Professionalism section.
- A new section on Communication with key stakeholders in the Communication with the Audit Committee and senior management section
- A change in the section Quality and Assurance Improvement Programme regarding the qualifications of the external Assessor.

**2. Overall Position**

2.1 The attached report contains:

- The Internal Audit Plan 2026/27, which details rationale and overarching scope for each audit in the Plan.

- The Internal Audit Charter and Mandate which outlines the purpose, independence, organisational position and reporting relationships of Internal Audit, Audit Committee's oversight, and the roles and responsibilities of the Head of Internal Audit.

### **3. Conclusion**

- 3.1 The attached report provides the Council with an Internal Audit Plan that will ensure key business risks will be addressed by Internal Audit, thus ensuring that appropriate controls are in place to mitigate such risks and also ensure that the appropriate and proportionate level of action is taken.
- 3.2 The risk-based internal audit plans will add value to the Council, have a defined and specific scope for each review and ensure that risks in relation to the service area are being reviewed by Internal Audit, thus enabling best practice to be followed.

### **4. Recommendation**

1) That the Committee is requested to review and approve:

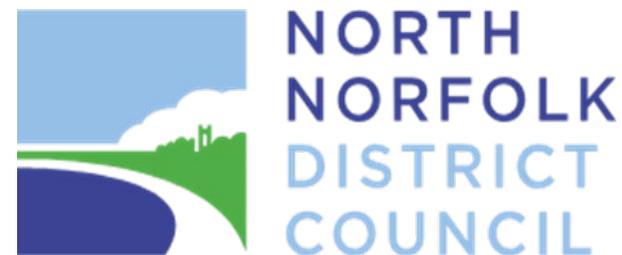
- The Internal Audit Plan 2026/27 and Internal Audit Charter and Mandate.

#### ***Appendices attached to this report:***

Appendix A – Internal Audit Plan 2026/27

Appendix B – Internal Audit Charter and Mandate

EASTERN INTERNAL AUDIT SERVICES



**NORTH NORFOLK DISTRICT COUNCIL**

**Internal Audit Plan 2026/27**

**Head of Internal Audit: Teresa Sharman**

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# Approach to Internal Audit Planning

## Introduction

Annually, the Head of Internal Audit is required to provide an annual opinion on the Council's framework of governance, risk management and control, to those charged with governance to support the Council's Annual Governance Statement (AGS).

To achieve this, a risk-based internal audit plan is developed, and audits are carried out.

## What do the Standards say?

### Creating a plan

In accordance with the Global Internal Audit Standards (GIAS): -

'The chief audit executive must create an internal audit plan that supports the achievement of the organisation's objectives. The chief audit executive must base the internal audit plan on a documented assessment of the organisation's strategies, objectives, and risks. This assessment must be informed by input from the board (Audit Committee) and senior management as well as the chief audit executive's understanding of the organisation's governance, risk management and control processes. This assessment must be performed at least annually.'

'The Internal Audit Plan must: -

- Consider the Internal Audit Mandate and the full range of agreed-to internal audit services.
- Specify internal audit services that support the evaluation and improvement of the organisation's governance, risk management, and control processes.
- Consider coverage of information technology governance, fraud risk, the effectiveness of the organisation's compliance and ethics programme, and other high-risk areas.
- Identify the necessary human, financial, and technological resources necessary to complete the plan.

- Be dynamic and updated timely in response to changes in the organisation's business, risk operations, programmes, systems, controls, and organisational culture.'

### Review, revise and changes to the Plan

'The chief audit executive must review and revise the Internal Audit Plan as necessary and communicate timely to the board (Audit Committee) and senior management: -

- The impact of any resource limitations on Internal Audit coverage.
- The rationale for not including an assurance engagement in a high-risk area of activity in the Plan.
- Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.
- Limitations on scope or restrictions on access to information.'

'The chief audit executive must discuss the internal audit plan, including significant interim changes with the board (Audit Committee) and senior management. The plan and significant changes to the plan must be approved by the board (Audit Committee).'

## Audit Universe and Risk Assessment

The Standards require an organisational risk assessment to be completed at least annually as the basis for the plan. This year, reliance has been placed on the Council's risk information as detailed in its Risk Register.

Our approach to preparing the Council Internal Audit Plan is to develop an audit and risk universe based on an understanding the Council's corporate priorities, corporate risks and key outcomes. The risk universe is the Council's corporate risks, and the audit universe is the Council's corporate priorities and its business services, processes, programmes, and systems. Each audit in the Plan links back to a corporate risk or corporate priority where relevant.

Appendix 1 shows the red and amber risks in the risk universe and not all the corporate risks, corporate priorities and areas within each service business area.

## Audit Planning Approach

### Audit planning

An audit planning meeting was held with the Corporate Leadership Team and Management Team to develop the Council's Internal Audit Plan.

Discussions focused on areas such as: -

- The Corporate Plan 2023-2027 and the planned outcomes and actions from the Annual Plan 2025/26 and the associated level of risk to their achievement.
- The red and amber corporate risks.
- The importance of the action, service or process to the Council i.e., whether it is a statutory or critical service, for legal or regulatory requirements or to meet corporate priorities.
- New and existing programmes and projects.
- Whether assurance is received from other parties.
- When Internal Audit last looked at the service, project, programme or system and what level of assurance was given.
- Whether there were new systems in place or proposed.
- The performance of the service.
- Changes to laws and regulations.
- Council concerns with systems or processes.
- The involvement of third parties.
- Materiality in monetary terms.
- An overarching scope was discussed for each audit, which will be confirmed when the audit is completed.
- Whether the work would be advisory, or assurance work, along with when would be best to complete the audit in the year, avoiding known peak work periods where possible.

### **Essential, high, medium and low assurance requirements**

Audits are defined as an essential, high, medium or low assurance requirement, to provide an order of priority if the audit budget is insufficient once scopes are agreed and days allocated to audits.

It is expected that there will be insufficient audit budget to complete those audits defined as a low assurance requirement in this year's Internal Audit Plan.

The resulting plan is shown in Appendix 2 and shows where audit work links back to the Council's corporate priorities and corporate risks. Only those corporate risks, corporate priorities and service business areas where audits are proposed are shown in Appendix 2 and not all the audit and risk universe.

### **Audit Themes**

An analysis of the recommendations made in 2024/25 found that the categories for 'effective building, maintenance and change' (the strengthening of systems, processes, the maintenance or control of change) and 'understanding external factors' (alignment with legislation, regulation or external expectations) had the most recommendations classified under them, 33% and 37% respectively.

For 'effective building, maintenance and change' weaknesses in controls in this category could mean that systems or processes are inefficient, outdated, or weakly controlled, change management may not be robust, or key systems may not be sufficiently maintained. The Waste Management (4) and S106 Arrangements (4) audits had the most recommendations in this category.

For 'understanding external factors', weaknesses in controls in this category could mean there are risks of non-compliance with legislation and statutory duties, or national or external policy, leading to reputation damage. The Leisure, Private Sector Housing (4) and Environmental Charter (4) audits had the most recommendations in this category.

For each audit in 2026/27, the audit scopes will include points on effective building, maintenance and change and understanding external factors where this is relevant.

### **Flexible plan**

To ensure that the plan is flexible to meet the needs of the Council in response to changes in the business, risk operations, programmes, systems, controls, and organisational culture, the Internal Audit Plan will be reviewed with the Corporate Leadership quarterly and updated accordingly, including whether the assurance requirement category remains valid. Changes to the Plan will be outlined to the Audit Committee in the quarterly Progress Report for them to review and agree.

## **Internal Audit Resources**

### **What to the Standards say?**

‘The chief audit executive manages resources to implement the internal audit function’s strategy and achieve its plan and mandate. Managing resources requires obtaining and deploying financial, human, and technological resources effectively. The chief audit executive needs to obtain the resources required to perform internal audit responsibilities and deploy the resources according to the methodologies established for the internal audit function.’

### **Financial**

The budget for 2026/27 has received at 3.8% CPI% (rate in September and October 2025) increase on the 2025/26 budget.

### **Staffing**

The role of the Head of Internal Audit is provided by South Norfolk Council through the Eastern Internal Audit Service (EIAS) Consortium to the district councils for Breckland, Broadland, North Norfolk, and South Norfolk, Norwich City Council and Great Yarmouth Borough Council, and the Broads Authority. All Councils are bound by a Partnership Agreement.

The delivery of the internal audit plans for each Council is provided by three external audit contractors, who report directly to the Head of Internal Audit at South Norfolk Council. Other than the Head of Internal Audit, staffing within EIAS include a Senior Internal Auditor and a Trainee Internal Auditor who also complete audits.

A mix of in-house staffing and external contractors provides a variety of daily rates, enabling overall value for money clients whilst having access to a variety of specialist auditors and more capacity at peak times. Further details on the strategy for human resources will be in the new Internal Audit Strategy that is being developed.

### **Technology**

Further details on the strategy for technology will be in the new Internal Audit Strategy, but the use of data for continuous auditing through data analytics and audit need is one aspect that is being considered. Currently, data analytics is used for full population testing in some audits. AI is used in audit work for background research, writing risks, and summarising findings in report writing. It is not currently used in audit testing. In data analytics, AI is used to write formulas and measures when dashboards are completed for audit and administrative work.

# Appendix 1 – Top Level Audit & Risk Universe

## Corporate Priorities and Risks (Reds and Ambers)

Our greener future	Developing our communities	Meeting our housing need	Investing in our local economy & infrastructure	A strong, responsible & accountable Council
<p>Continue our journey to net-zero.</p> <p>Tackle environmental waste and pollution.</p> <p>Protect and transition or coastal environments</p>	<p>Engaged and supported individual and communities</p> <p>Promote health, wellbeing and independence for all</p> <p>Increase accessibility and inclusion for all</p> <p>Promote culture, leisure and sports activities.</p>	<p>Address housing need</p> <p>Tackle the impact of second homes and holiday lets.</p> <p>Promote best use of housing stock and good housing standards.</p>	<p>An environment for business to thrive in.</p> <p>Infrastructure to support growth.</p> <p>Skills for jobs.</p>	<p>Quality customer service.</p> <p>Maximising opportunities,</p> <p>Effective and efficient services.</p>
<p>Coastwise – delivery within Government financial timeframes</p> <p>Not achieving the Net Zero 2030 target</p>				<p>Medium Term Financial Plan</p>

Our greener future	Developing our communities	Meeting our housing need	Investing in our local economy & infrastructure	A strong, responsible & accountable Council
<p>Flooding, erosion and loss of assets and delivery of services</p> <p>Domestic Food Waste Collection (Statutory Obligation)</p>		<p>Housing Delivery - Non delivery of housing targets</p>		<p>Local Government Reorganisation – threat to organisational capacity</p> <p>Contract Failure</p> <p>Emergency Event</p> <p>Rocket House building repair and energy improvement works</p> <p>Loss of Information</p> <p>High cost and resource issues from prosecutions, enforcement action and litigation</p> <p>Cyber Risk</p> <p>Deteriorating / under used property assets</p>

## Business Service Areas

Business Service Areas			
Loegal & Governance	Services, Planning Environmental & Leisure	Corporate Services	Resources – Finance & Assets & Sustainable Growth
Elections Legal Democratic Services	Environmental Protection & Services, Public Protection Civil Contingences Waste Leisure including car parks Benefits Housing Option, Strategy and Adaptations Health and Welbeing Early Help Hub Development Mgmt, Building Control, Enforcement PPU, Property Info Team Major Projects Conservation and Landscapes	Communications & PR Customers Services Project and Performance Management HR	Tourism Coast Economic Growth Climate Change Regeneration Projects ICT Finance Revenues Exchequer Assets and Property Strategy Property Services / Facilities Mgmt.

## Appendix 2 - Internal Audit Plan 2026/27

### Quarter 1

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Discretionary Powers (Medium)	None	Discretionary powers - discretion is awarded to managers/team leaders to allow areas of relief. Ensure everyone is given fair opportunity as well as protecting public. Policies are in place - do manager/team leaders comply with this policy? To cover business rates, benefits, discretionary payments. Dan and Trudie.	Assurance that the Council's use of discretionary powers across business rates, benefits, and discretionary payments is fair, transparent, consistently applied, and compliant with approved policies, ensuring that decision-making is well-governed, appropriately documented, and balances equitable treatment of residents with the need to safeguard public funds.
Disaster Recovery (High)	None	There are concerns on the ability to recover IT wise from an incident considering recent cyber security attacks for example from back-ups.	Assurance that the Council has robust, tested, and effective arrangements in place to ensure it can maintain critical operations and achieve a full and timely recovery in the event of a cyber-attack.  To include the existence of appropriate cyber incident response plans, business continuity arrangements, technical safeguards, and recovery capabilities.

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Project Management Framework (Medium)	A strong, responsible & accountable Council	Three strategic boards now in place Major Projects Oversight, Decarbonisation Oversight and Productivity and Performance Oversight). Assurance on the project management framework, looking at the FLASH project.	Assurance that the Council's project management framework is well-designed, consistently applied, and operating effectively to ensure that projects are governed, planned, delivered and monitored in a controlled, transparent and value-for-money manner, with clear accountability, appropriate risk management, and reliable reporting.

## Quarter 2

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Renters' Rights (High)	Meeting our Housing Need	The Renters' Rights Act 2025 (RRA 2025) received Royal Assent on 27 October 2025 and introduces the most significant reforms to the private rented sector (PRS) in decades, including the abolition of Section 21 "no fault" evictions, a new periodic tenancy regime, strengthened and expanded grounds for possession, limits on rent increases, and a staged programme to	Assurance that the Council is ready, compliant, and operationally prepared to implement and enforce the Renters' Rights Act 2025 in line with statutory timelines. that governance, processes, systems, skills, and data arrangements will enable effective implementation from 1 May 2026 and phased measures thereafter, and that risks are identified and managed.

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
		<p>establish a PRS Database and a Private Rented Sector (Landlord) Ombudsman. Key measures are being phased in through commencement regulations during 2025 – 2027, with core tenancy changes coming into force on 1 May 2026. This affects many teams.</p> <p>Assurance requested.</p>	
Customer Services (Medium)	A strong, responsible & accountable Council	<p>Assurance requested of Customer Services, to consider the introduction of chatbot, response times, impact of the removal of face-to-face provision at Fakenham Connect 3/6 months after removal in the audit. To also include tracking on the process / journey of customer.</p>	<p>Assurance on the effectiveness, accessibility, and responsiveness of the Council's Customer Services function, evaluating whether service delivery arrangements, including the introduction of a chatbot, revised access channels following the withdrawal of face-to-face provision at Fakenham Connect, and the integration of the new C3 system, support timely, consistent and satisfactory customer outcomes, and whether end-to-end customer journeys are well-designed, well-managed, and deliver value for both residents and the Council.</p>

## Quarter 3

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Empty Homes (Medium)	Meeting our Housing Need	<p>In their Annual Plan, the Council has made a commitment to continue to monitor and take action to reduce the number of Long-Term Empty properties in the District through investigation and enforcement action – pursuing at least 50 cases a year.</p> <p>The Council is delivering an enhanced Empty Homes Reduction Programme focused on reducing the number of long-term empty properties. The total empty properties as at 6 October 2025 (CTB1 data) is 1,234. Out of these there are 759 Long-Term Empty properties. This is 1.34% of the taxbase total.</p>	<p>Assurance that the Council's Empty Homes Reduction Programme is operating an effective and value for money intervention model, deploying resources, enforcement powers and incentives appropriately, achieving measurable improvements in reoccupation, revenue generation and community outcomes, and managing programme level risks and continuously improving performance. To also understand whether the officer post is self-funding in accordance with the Business Case.</p>
Prevention Advisory People Services (Medium)	Developing our communities	<p>Community Connectors and Discretionary People Services – these posts have been funded through various grant pots and are Fixed Term Contracts. It is a</p>	<p>To provide insight on whether the Community Connectors and Discretionary People Services operating model is appropriate, sustainable, and resilient for the future, assessing its strategic purpose, delivery approach, funding model, governance, and outcomes to support informed</p>

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
		<p>community-based service striving to improve the quality of life of residents within North Norfolk, encouraging and empowering people to connect with their community, raise aspirations, build resilience and improve wellbeing Assurance that the model is right, sustainable and durable moving forward is requested, reviewing the service as a whole to allow tying in with Renters Rights requirements.</p>	<p>decisions on how the service for the future. (Advisory)</p>
<p>Parks and Open Spaces and Woodland Management (Medium)</p>	<p>Developing our Communities</p>	<p>The Council can be challenged by community groups on the management of its sites and policies such as biodiversity, conservation and health and safety risks. An audit is requested to confirm compliance with policies and legislation, provide transparency to the Public and to support good stewardship.</p>	<p>Assurance that the Council's arrangements for managing parks, open spaces, and woodland are robust, compliant, and effective, ensuring that operational practices, policy application (including biodiversity, conservation, and health and safety requirements), community engagement, and governance structures support the sustainable, safe, and accountable stewardship of these assets.</p>

## Quarter 4

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Key Financial Controls (High)	None	An annual audit is requested.	Assurance on the key controls in the accounts payable, accounts receivable, income and accountancy services areas.
Property Assets – Capital Programme (High)	<b>Deteriorating / under used property assets</b> A Strong, Responsible and Accountable Council	A capital programme is in place to bring property and assets up to a good standard prior to being handed over to the new unitary council (tourism infrastructure, railings, lampposts, signposts etc). This is a big programme of works and assurance is requested.	Assurance that the capital works programme to bring property and public-realm assets up to the required standard ahead of unitary transfer is well-governed, procured in accordance with applicable regulations, and delivered economically, efficiently and effectively, ensuring value for money and readiness for handover.
Follow Up	None	Completed annually, in all quarters.	Assurance on progress with implementing recommendations made.

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## Grant Certifications

Grant Work	Rationale for the Work	Overarching Scope
Disabled Facilities Grants	Annual grant certification	Certification of expenditure in accordance with grant conditions

## Low Priority Audits

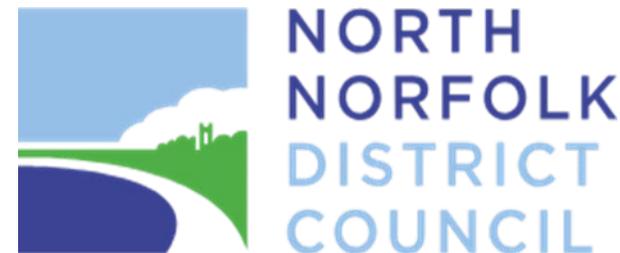
(Please note: - these audits are unlikely to be completed)

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
Council Tax Support Scheme	None	Assurance on the new support scheme and whether this is being applied in practice, focusing on the changes because of the new scheme and change of circumstances is requested.	Assurance on the new Council Tax Support Scheme and whether this is being applied in practice, focusing on the changes because of the new scheme and change of circumstances.

## Areas being monitored

Audit Area	Corporate Risk / Priority	Rationale for the Audit	Overarching Audit Scope
LGR	<p><b>Local Government Reorganisation – threat to organisational capacity</b></p> <p>A Strong, Responsible and Accountable Council</p>	No audits required currently but this will be reconsidered, once the Minded To decision is known, at the quarterly Plan reviews.	

EASTERN INTERNAL AUDIT SERVICES



## NORTH NORFOLK DISTRICT COUNCIL

### Internal Audit Charter and Mandate

Head of Internal Audit: Teresa Sharman

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# Purpose of Internal Audit

## Purpose

The purpose of the internal audit function is to strengthen the Council's ability to create, protect, and sustain value by providing the Governance, Risk and Audit Committee, (referred to throughout as the 'Audit Committee') and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances the Council's: -

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The Council's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the Chartered Institute of Internal Auditor's (CIIA) Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Audit Committee.
- Internal auditors are free from undue influence and committed to making objective assessments.

### **Commitment to Adhering to the Global Internal Audit Standards in the UK Public Sector**

- The Council's internal audit function will adhere to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards in the UK Public Sector and Topical Requirements. The chief audit executive (Head of Internal Audit) will report annually to the Audit Committee.

The chief audit executive will report annually to the Audit Committee and senior management regarding the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, which will be assessed through a quality assurance and improvement program.

## Mandate of Internal Audit

### Authority

The Council's internal audit function mandate is found in the Accounts and Audit Regulations 2015, which states: - Internal Audit

5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit —

(a) make available such documents and records; and

(b) supply such information and explanations; as are considered necessary by those conducting the internal audit.

(3) In this regulation “documents and records” includes information recorded in an electronic form.

The internal audit function's authority is created by its direct reporting relationship to the Audit Committee. Such authority allows for unrestricted access to the Audit Committee.

The Audit Committee authorises the internal audit function to: -

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of the Council and other specialized services from within or outside the Council to complete internal audit services.

## Independence, Organizational Position, and Reporting Relationships

The chief audit executive will be positioned at a level in the organisation that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See “Mandate” section.)

The chief audit executive will report functionally to the Audit Committee and administratively (for example, day-to-day operations) to the Chief of Staff at South Norfolk Council. This positioning provides the organisational authority and status to bring matters directly to senior management and escalate matters to the Audit Committee, when necessary, without interference and supports the internal auditors’ ability to maintain objectivity.

The chief audit executive will confirm to the Audit Committee, at least annually, the organisational independence of the internal audit function. If the governance structure does not support organisational independence, the chief audit executive will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence.

The chief audit executive will disclose to the Audit Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function’s effectiveness and ability to fulfil its mandate.

## Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the chief audit executive, Audit Committee and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to: -

- A significant change in the Global Internal Audit Standards in the UK Public Sector.
- A significant reorganisation within the organisation.
- Significant changes in the chief audit executive, Audit Committee, and/or senior management.
- Significant changes to the organisation’s strategies, objectives, risk profile, or the environment in which the organisation operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

# Audit Committee Oversight

## Oversight

To establish, maintain, and ensure that the Council's internal audit function has sufficient authority to fulfil its duties, the Audit Committee will: -

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the “essential conditions,” described in the Global Internal Audit Standards in the UK Public Sector, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the chief audit executive to consider changes affecting the organisation, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
- Approve the risk-based internal audit plan.
- Advocate to senior management that sufficient budget and staffing resources are provided to the internal audit function to fulfil its mandate and accomplish its internal audit plan.
- Provide feedback to senior management on the appointment and removal of the chief audit executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards in the UK Public Sector.
- Review and provide feedback to the Director of Resources at South Norfolk Council on the chief audit executive's performance.

- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

## Chief Audit Executive Roles and responsibilities

### Ethics and Professionalism

The chief audit executive will ensure that internal auditors: -

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality, and the Seven Principles of Public Life (Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty, Leadership.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organisational behaviour that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

### Objectivity

The chief audit executive will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the chief audit executive determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including: -

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for the Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any the Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will: -

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, Audit Committee, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

## Managing the Internal Audit Function

The chief audit executive has the responsibility to: -

- At least annually, develop a risk-based internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit Committee and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.

- Communicate with the Audit Committee and senior management if there are significant interim changes to the internal audit plan.
- Develop and document an Internal Audit Strategy setting out the purpose, vision and objectives for internal audit, covering technology and staffing resources, and periodically review this.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector and laws and/or regulations.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the Audit Committee and senior management periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Audit Committee and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to the Council's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector. Any such conflicts will be resolved or documented and communicated to the Audit Committee and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the Audit Committee.

## Communication with the Audit Committee and Senior Management

### Reporting to Audit Committee

The chief audit executive will report periodically to the Audit Committee and senior management regarding: -

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with the IIA's Global Internal Audit Standards in the UK Public Sector and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Audit Committee that could interfere with the achievement of the Council's strategic objectives.
- Results of assurance and advisory services.
- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Council's risk appetite.

### Communication with key stakeholders

The chief audit executive is committed to fostering both formal and informal communication channels to build strong, collaborative relationships with senior management and the Audit Committee, and other stakeholders. This includes the use of structured mechanisms such as training workshops, briefings regular meetings, periodic reporting, and formal feedback processes to ensure transparency, alignment, and shared understanding of risks and priorities.

In addition, the chief audit executive will actively engage in informal dialogue with the Committee and senior management, and ad-hoc updates, to maintain open communication and support a culture of continuous improvement. These combined approaches ensure that stakeholder views are understood, expectations are managed, and Internal Audit remains a trusted, value-adding partner to the Council.

Our Stakeholder Engagement Plan will outline how this will be achieved in more detail.

### Quality and Assurance Improvement Programme

The chief audit executive will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards in the UK Public Sector, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the chief audit executive will communicate with the Audit Committee and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the Council; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

## Scope and type of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organisation, including all of Council's activities, assets, and personnel.

The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management, and control processes for the Council.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether: -

- Risks relating to the achievement of the Council's strategic objectives are appropriately identified and managed.
- The actions of the Council's officers, directors, management, employees, and contractors or other relevant parties comply with the Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

## Approval

### Approval of Charter and Mandate

Approved by the Governance, Risk and Audit Committee at its meeting on 24 March 2026.

# Agenda Item 9

Governance, Risk and Audit Committee

24 March 2026

Report Title		Progress Report 2025/26	
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	<a href="mailto:teresa.sharman@southnorfolkandbroadland.gov.uk">teresa.sharman@southnorfolkandbroadland.gov.uk</a>		
Telephone number	01603 430138		
Are there Non Electronic Appendices?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
List of Background Papers (if applicable)			

Agenda Item No \_\_\_\_\_

**Progress Report 2025/26**

**Summary:** This report provides details of progress with the 2025/26 Internal audit Plan and outstanding recommendations.

**Conclusions:** The 2025/26 Internal Audit Plan is in progress. Outstanding recommendations are progressing.

**Recommendation:** That the Committee is requested to:

- Receive and note progress with the 2025/26 Internal Audit Plan and outstanding recommendations.
- Approve the change to the Internal Audit Plan

Cabinet member(s):

All

Contact Officer, telephone number,  
and e-mail:

Ward(s) affected:

All

Teresa Sharman  
01603 430138

[teresa.sharman@southnorfolkandbroadland.gov.uk](mailto:teresa.sharman@southnorfolkandbroadland.gov.uk)

**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 Global Internal Audit Standards in the UK Public Sector require 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 2025/26 Internal Audit Plan is progressing. Outstanding recommendations are also progressing.

**4. Recommendation**

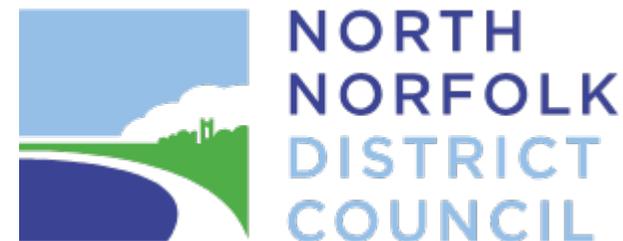
1) That the Committee is requested to:

- Receive and note progress with the 2025/26 Internal Audit Plan and outstanding recommendations.
- Approve the change to the Internal Audit Plan

***Appendices attached to this report:***

Appendix A – Progress Report 2025/26

EASTERN INTERNAL AUDIT SERVICES



## NORTH NORFOLK DISTRICT COUNCIL

Progress Report 2025/26

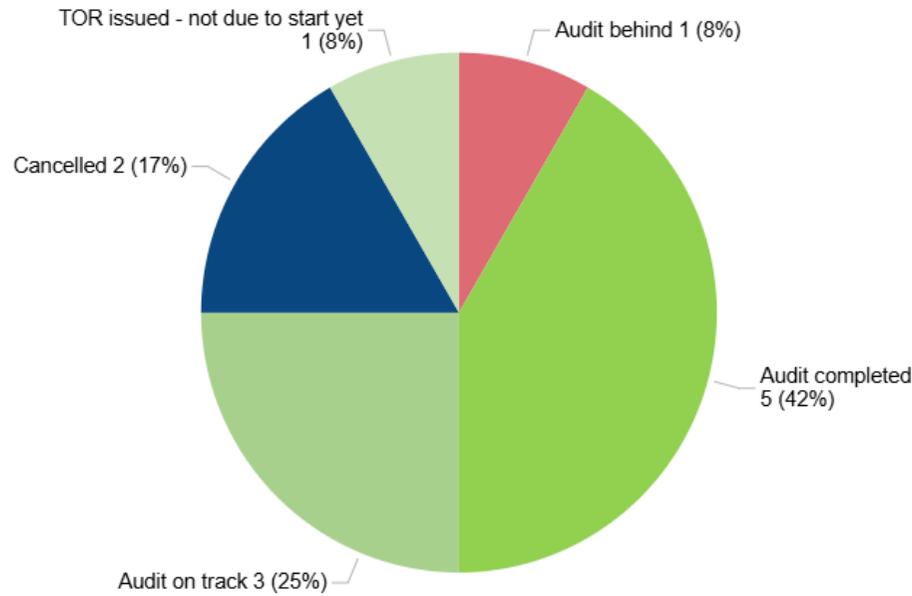
Head of Internal Audit: Teresa Sharman

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# Progress at a glance

<p style="text-align: center;"><b>12</b> Audits in 2025/26 Audit Plan</p>
<p style="text-align: center;"><b>1</b> Urgent Recs Raised</p>
<p style="text-align: center;"><b>11</b> Important Recs Raised</p>
<p style="text-align: center;"><b>7</b> Routine Recs Raised</p>
<p style="text-align: center;"><b>0</b> Improvement Actions Raised</p>



<p><b>25</b> Outstanding Recommendations</p> <p><b>2 Urgent</b> <b>17 Important</b> <b>6 Routine</b></p> <p><b>Oldest – 2021/22 – 1 Important, Key Controls</b></p>
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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 Eastern Internal Audit Services (EIAS), which is hosted by South Norfolk Council, through a partnership arrangement. EIAS provides internal audit services to the district councils for Breckland, Broadland, North Norfolk, South Norfolk, Norwich City Council, Great Yarmouth Borough Council, and the Broads Authority.

The delivery of the Internal Audit Plan for the Council is provided by the EIAS's contractors, TIAA Ltd, BDO LLP and Hertfordshire County Council's Shared Internal Audit Service, supplemented by a small in-house Team

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

## Changes to the 2025/26 Audit Plan

Since the last Progress Report the following changes have been made to the Plan as shown in the table below.

Audit	Nature of the change
Application Audit – HR System	The audit has been cancelled because the new system is not in place.

## Progress to date and audit outcomes

### Progress with audit work

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

#### Quarters 1 & 2

A final report has been issued for all four audits within these quarters (Building Control, Environmental Health – Licensing, Workforce Strategy and Learning Development Plan & Artificial Intelligence (Advisory Review)).

#### Quarter 3

The Risk Management has been completed and final report issued.

Fieldwork for the Corporate Governance audit has been completed, and a feedback meeting has been booked but later than planned; therefore, the audit will fall behind its planned timescales for issuing a draft report now.

Although fieldwork has commenced for the Property Services' Planned Preventative Maintenance of Council Owned Properties, the audit but has fallen behind the target dates set within the Terms of Reference. The contractor has confirmed this is due to delays on their side. As per the contractor, a draft report is expected to be ready by mid-March 2026.

#### Quarter 4

Fieldwork has commenced for the Key Financial Controls and Health & Safety Statutory Compliance Checks on Temporary Accommodation audits and remain on track.

A Terms of Reference has been issued for the Procurement audit, but fieldwork is not due to commence until mid-March.

#### **Audit Outcomes - Final Reports**

During the period, the following final reports have been issued as detailed in the table below.

The Executive Summary for final reports issued in the period are provided in at **Appendix 2**, and a full copy of the report can be requested by Members.

Recommendations made on 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.

Audit	Assurance Level	Urgent Recommendations	Important Recommendations	Routine Recommendations
Workforce Strategy and Learning Development Plan	N/A – Advisory Work	N/A	N/A	N/A
Risk Management	N/A – Follow Up Audit	N/A	N/A	N/A
<b>Total</b>		-	-	-

## Outstanding Recommendations

The table below now shows the total number of recommendations which are past and within their due date by year and priority rating.

The numbers in brackets after the audit name represents the total number of recommendations made in the final report and the colour denotes the overall assurance given. Also in table, U denotes the recommendation classification of urgent, I is important, and R is routine. See **Appendix 4** for more information on this.

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.

Audit Year	Audit Name	Past Due Date Priority U	Past Due Date Priority I	Past Due Date Priority R	Within Due Date Priority U	Within Due Date Priority I	Within Due Date Priority R	Total
2021/22	Key Controls and Assurance (4) (Closed – 3)	0	1	0	0	0	0	1
2021/22 Total		0	1	0	0	0	0	1
2023/24	Accounts Payable (4) (Closed - 3)	0	0	1	0	0	0	1
	Land Charges (12) (Closed - 11)	0	1	0	0	0	0	1
2023/24 Total		0	1	1	0	0	0	2
2024/25	Commercial Estates (5) (Closed - 2)	0	3	0	0	0	0	3

Audit Year	Audit Name	Past Due Date Priority U	Past Due Date Priority I	Past Due Date Priority R	Within Due Date Priority U	Within Due Date Priority I	Within Due Date Priority R	Total
	ICT - Cyber Security (18) (Closed - 15)	0	1	2	0	0	0	3
	Leisure (6) (Closed - 4)	0	0	2	0	0	0	2
	Private Sector Housing (6) (Closed - 4)	0	2	0	0	0	0	2
	Section 106 Agreements (10) (Closed - 1)	1	7	1	0	0	0	9
	Waste Management contract with Serco (9) (Closed - 8)	0	1	0	0	0	0	1
<b>2024/25 Total</b>		<b>1</b>	<b>14</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20</b>
2025/26	Environmental Health – Licensing (3) (Closed – 1)	1	1	0	0	0	0	2
	Building Control (3) Closed – 3)	0	0	0	0	0	0	0
	Risk Management (6) (Closed – 0)	0	0	0	0	3	3	6
<b>2025/26 Total</b>		<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>8</b>
<b>Priority Totals</b>		<b>2</b>	<b>17</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>31</b>

Total Number of Recommendations Past Due Date

25

Total Number of Recommendations Within Due Date

6

## Progress with actions to Improve poor performance

### Contractor Performance

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

- **Contractors:** - Work across all Councils in the Consortium is split between three contractors, with the main contractor completing approximately half of the total audits. The remaining half split approximately equally between the two other contractors.
- **The Protocol, 'a ways of working together' and expectations of Council officers and Contractors:** - this document has been reiterated with all the Contractors and Councils to follow and escalate when responses are not received.
- **Regular meetings:** - meetings take place with the Director for the main contractor to discuss performance every quarter, and all contractors have scheduled meetings to monitor audit progress and performance.
- **Quarterly Review of the Audit Plan with senior management:** - these meetings enable issues to be raised and discussed directly with management.

### Quality Assurance & Improvement Programme

- **Next External Quality Assessment (EQA):** - this is due in December 2027. A gap analysis against the new Global Internal Audit Standards in the UK Public Sector is now completed, and the results will be shared with the Committee at a future meeting.

## Appendix 1 - Summary of Audit Work 2025/26

Audit Area	Status	Opinion	Total Number	Urgent	Important	Routine	Improvement Actions
Building Control	Audit completed	Reasonable	3	0	0	3	0
Environmental Health - Licensing	Audit completed	Limited	3	1	1	1	0
Artificial Intelligence Advisory Review	Audit completed	Advisory Work	N/A	N/A	N/A	N/A	N/A
Workforce Strategy and Learning Development Plan	Audit completed	Advisory Work	N/A	N/A	N/A	N/A	N/a
Risk Management	Audit completed	Follow Up	N/A	N/A	N/A	N/A	N/A
Corporate Governance	Audit on Track	-	-	-	-	-	-
Health & Safety Statutory Compliance Checks on Temporary Accommodation	Audit on Track	-	-	-	-	-	-
Key Financial Controls	Audit on Track	-	-	-	-	-	-
Planned Preventative Maintenance of Council Owned Properties	Audit Behind	-	-	-	-	-	-
Procurement	TOR issued – audit not due to start yet	-	-	-	-	-	-

Audit Area	Status	Opinion	Total Number	Urgent	Important	Routine	Improvement Actions
Budget Setting and Control	Cancelled	-	-	-	-	-	-
Applications Audit – HR System	Cancelled	-	-	-	-	-	-

<b>Grant Certifications</b>	The following grants have been certified by EIAS so far during 2025/26: - <ul style="list-style-type: none"> <li>Disabled Facilities Capital Grants (Period end - 2024/25)</li> </ul>
<b>Low Priority Audits</b>	These audits were Project Management Framework, Council Tax Support Scheme and Woodland Management and Country Park provision. There is not sufficient budget to complete them.
<b>Follow Up</b>	A provision of days is allowed to monitor progress with implementing recommendations made each month.

## Appendix 2 - Final Report Executive Summaries

### Risk Management

#### Assurance Opinion

No assurance opinion has been assigned to this audit as it is a follow up audit of the recommendations made in the 2024/25 Risk Management audit.

<b>Opinion provided</b>	<b>None – Follow Up</b>	<b>Urgent recommendations</b>	0	<b>Important recommendations</b>	3	<b>Routine recommendations</b>	3
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Whilst significant progress has been made since the audit (NN2501) in October 2024 in terms of improving the Corporate Risk Register format and the development of the Management Information System, of the seven recommendations raised four have been actioned, while three are partially actioned. Mandatory risk training is provided, but only half the staff registered have completed this training. Members have received risk management training.

The Risk Management Policy and Framework has been updated, but not all recommended best practice has been added.

Corporate Leadership Team (CLT) and Governance, Risk and Audit Committee (GRAC) receive reports on corporate risks.

Not all service risks have been added to the Management Information System and CLT are yet to receive a thematic report on all risks.

#### Audit Objective

All seven recommendations will be followed up as part of this review to ensure that that recommendation previously confirmed as implemented are still operating effectively and to seek updates with the two which had still to be confirmed as implemented.

## Summary of Findings

### Areas of strength in control design and / or effectiveness

Three recommendations from the original audit have been actioned: -

- **Recommendation 4:** *Management should ensure that: The Corporate Risk Register (CRR) is regularly reviewed by the Corporate Leadership Team (CLT) prior to review by the Governance, Risk and Audit Committee (GRAC) as standard, the CLT operate the risk review, moderation and escalation/de-escalation process as part of its review, further improvements are made to the format of the Corporate Risk Register by, for instance, putting corporate objective field first to better align risks to delivery of plans, adding the risk appetite for each risk, adding gross or inherent risk score as well as current and target risk score, and writing the description of the risk, the risk event first, then the cause of the risk and then the impact of the risk in the first column.*

The CRR is regularly reviewed by CLT prior to review by GRAC and operates moderation and escalation as indicated in the overview section of GRAC report. The recommended improvements to the CRR have been made.

- **Recommendation 5:** *Add a specific operational risk regarding developing and implementing the new performance and risk system as a risk on the register and provide regular reports to Corporate Leadership Team (CLT) on progress.*

A specific risk has been added to the Corporate Risk Register relating to failure to complete development of the Management Information System and maintain when in use. This risk has now been mitigated to its target score.

- **Recommendation 7:** *Add Governance, Risk and Audit Committee's responsibility to approve the Risk Policy and Framework to its terms of reference in the Constitution and confirm this is in line with approved delegation.*

The GRAC terms of reference are included in the Constitution and now reference the responsibility of approval of the Risk Management Policy and Framework.

### Areas of weakness in control design and / or effectiveness

Four recommendations have been partially actioned: -

- **Recommendation 1:** *Develop a formal risk management training programme and monitor training compliance aligned to the new policy framework and new risk system, once both are in place. This to be supported through the undertaking of a risk awareness survey to inform the risk training needs analysis.*

Risk management training is mandatory and available in the e-learning portal. Induction and ad hoc training are available. Of the 69 staff registered in February 2025, 34 have completed as of 6<sup>th</sup> November 2025. Members received risk management training in February/March 2025. (Recommendation 1)

- **Recommendation 2:** *Finalise the review of the Risk Management Policy and Framework and include the following best practice: three lines of assurance; risk identification, articulation and sources, more impact/consequence areas in the scoring matrix, opening and closing risks, risk moderation and escalation/de-escalation, mitigation/ treatment, low scoring high frequency risks.*

The Risk Management Policy and Framework was updated in October 2024 and though includes risk identification, sources, escalation, it is still lacking mention of three lines of assurance, the additional impact/consequence areas, opening and closing of risks and how risks are to be articulated. (Recommendation 5)

- **Recommendation 3:** *Management to review the risk appetite statement annually alongside the Corporate Plan and communicate this widely throughout organisation to be used as a basis of risk discussion. Determine a risk scoring matrix for applying risk appetite in practice to risks. Include the risk appetite for each of the risks on the Corporate Risk Register.*

The risk appetite and risk scoring in relation to risk appetite is included in the October 2024 Risk Management Policy and Framework which is due for review by October 2026. The Corporate Risk Register template requires that the risk appetite is referenced for each risk on the Corporate Risk Register although these have not been completed; therefore, they cannot be used as a basis of any risk discussion. (Recommendation 3)

- **Recommendation 6:** Produce risk reports, including a separate annual risk management report, to the Corporate Leadership Team and Governance, Risk and Audit Committee, alongside the Corporate Risk Register, to include open and closed risks, risks overdue, movements in risks, thematic review, aggregated low scoring high frequency risks.

The current risk report to both CLG and GRAC relates to the Corporate Risk Register with an overview of risk changes. The Performance and Productivity Board is responsible for overseeing that risk management is operating effectively. There is currently no risk report to CLT relating to service risks and no thematic review. (Recommendation 4)

- Not all service risks are currently recorded on the MIS. (Recommendation 2)
- Risk register templates prompt risk descriptions to be worded in terms of risk description, cause and consequence of risk happening; however, this is not happening in all cases and many risk descriptions are lengthy. Risk descriptions should be written as per the new guidance on risk articulation in the Risk Management Policy and Framework. (Recommendation 6)

#### **Best practice points to note**

- The newly developed MIS (Management Information System) commenced in April 2025 and risk owners agree it is intuitive and easy to use.

**Added value or improvement points** (these are examples of how the Council could improve a process to be for example, more efficient or effective)

- Consider adding hyperlinks to risk appetite guidance in the Management Information System (MIS) to encourage risk appetite information is completed on risk registers.
- Risks are mentioned in report templates but not always linked to specific risks on the CRR. Consider adding reference to specific corporate or service risks on report templates.
- As of September 2025, there were 23 risks on the Corporate Risk Register which is a little high. Consider de-escalating some of the corporate risks to service risk registers with on-going monitoring.

## Management Action Plan

No.	Recommendation	Priority	Implementation Date	Responsible Officer
1	All risk owners to complete risk management training and follow up with refresher training. Ensure training compliance is regularly monitored by Corporate Leadership Team (CLT).	Important	31/03/2026	Steve Hems, Director of Service Delivery (Deputy Chief Executive)
2	All service risks to be added to the Management Information System (MIS). Ensure mitigating actions are SMART.	Important	31/03/2026	Daniel King, Assistant Director Finance and Assets
3	Ensure the risk appetite field is completed for all risks on the Corporate Risk Register and review the risk appetite statement annually in line with best practice.	Important	31/03/2026	Steve Hems, Director of Service Delivery (Deputy Chief Executive)
4	Once all the service risks have been added to MIS, a thematic report on all risks to be regularly reviewed by the Corporate Leadership Team.	Routine	30/06/2026	Daniel King, Assistant Director Finance and Assets

No.	Recommendation	Priority	Implementation Date	Responsible Officer
5	The additional information from the original recommendation (three lines of assurance, the additional impact/consequence areas, opening and closing of risks and how risks are to be articulated) to be included in the next iteration of the Risk Management Policy and Framework.	Routine	30/06/2026	Steve Hems, Director of Service Delivery (Deputy Chief Executive)
6	Risk description wording needs to follow the format in the template and be more succinct, following the new guidance on risk articulation in the Risk Management Policy and Framework.	Routine	30/06/2026	Steve Hems, Director of Service Delivery (Deputy Chief Executive)

## Workforce Strategy and Learning Development Plan

**Assurance Opinion:** As the was an advisory review, an assurance opinion is not provided.

<b>Opinion provided</b>	Not Applicable – Advisory Review	<b>Urgent recommendations</b>	N/a	<b>Important recommendations</b>	N/a	<b>Routine recommendations</b>	N/a
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A summary of the improvements that could be made to strategies and the exit process are as follows: -

- The Workforce Development & People Strategy should address barriers to recruitment and retention, including local factors and staff shortages.
- A review process for salary enhancements and retention payments is needed to support staff attraction.
- Both the Workforce Development & People Strategy and the Learning & Talent Development Strategy should include clear performance metrics to measure implementation and effectiveness.
- Action plans should specify responsible individuals or groups and include target dates. Governance arrangements should be defined to ensure oversight of strategy implementation.
- Leaver data should be regularly reviewed, captured, and used to inform future revisions to the strategies, with consideration given to embedding the Council's Corporate Values in both.

### Audit Objective

Our advisory work consisted of a review of the content of the draft Workforce Development & People Strategy and Learning and Talent Development Strategy.

Our work provided independent insight, challenge and identified areas for improvement within the Strategies regarding the clarity and viability of objectives and planned actions to support the recruitment, retention and development of staff.

## Summary of Findings

### Areas of weakness in control design and / or effectiveness

During the review we identified the following advisory actions: -

- **Barrier to Recruitment and Retention:** Capture barriers to recruiting and retaining staff or areas where staff shortages exist within the Workforce Development and People Strategy.
- **Salary Enhancements and Retention Payments:** Incorporate a review and monitoring process within the Workforce Development & People Strategy to assess how the Council attracts and retains staff.
- **Factors Impacting Recruitment:** Incorporate factors that impact on recruitment specific to NNDC in the Workforce Development & People Strategy.
- **Performance Metrics - Draft Workforce Development and People Strategy:** Ensure clearly defined performance metrics, for measuring success in terms of implementation and effectiveness, are included within the Workforce Development & People Strategy, and are produced and approved appropriately.
- **Performance Metrics - Draft Learning and Talent Development Strategy:** Ensure clearly defined performance metrics for measuring success in terms of implementation and effectiveness for the Learning and Talent Development Strategy are produced and approved.
- **Draft Workforce Development and People Strategy Action Plan:** The Workforce Development & People Strategy Action Plan should include a responsible person and / or group with specific target dates for implementation or actions.
- **Governance (Monitoring Implementation of Actions Plans):** Ensure the requirements for monitoring the implementation of actions is defined within the Draft Workforce Development & People Strategy and Learning and Talent Development Strategy (i.e. who and when) to provide oversight that these are implemented in accordance with expectations and are kept on track.

- **Corporate Values:** Consideration should be given to including the Council's Corporate Values in both the Workforce Development & People Strategy and Learning and Talent Development Strategy.
- **Leaver Survey Questions:** Leaver survey questions should be regularly reviewed to ensure they are fit for purpose and generate meaningful insights into the reasons staff leave, helping to inform and strengthen retention strategies
- **Capture and Analyse of Leaver Data:** A control record is maintained to capture leaver survey results (e.g. Excel spreadsheet). This could be used to capture information and gain insights into reasons why people are leaving with this information fed into strategies / retention.
- **Leaver Data Feedback and Informing Strategies:** Leaver data should be utilised and fed into future reviews of strategies and plans (i.e. to support a feedback loop).

### Management Action Plan

No.	Observation	Advisory Action
1	<p><b>Barriers to Recruitment and Retention</b></p> <p>Through review of the Draft Workforce Development &amp; People Strategy, and discussions with the HR Manager, we identified that barriers to recruitment and retention, as well as areas experiencing staff shortages, are not currently documented. Including these within the Strategy could support more targeted actions and improve performance in these areas.</p>	<p>Ensure barriers to recruiting and retaining staff, or areas where staff shortages exist, are captured within the Workforce Development &amp; People Strategy.</p> <p>As barriers will be subject to change, these should be kept under review to maintain effectiveness.</p>

No.	Observation	Advisory Action
2	<p><b>Recruitment Bonus and Salary Enhancements</b></p> <p>Council Policy allows for the payment of a 'Golden Hello' and / or an enhanced payment for some posts (covered under the Council's Pay Policy Statement).</p> <p>However, the Draft Workforce Development &amp; People Strategy Action Plan does not outline any review or monitoring mechanisms to evaluate whether the proposed approaches deliver value for the Council or contribute to improved recruitment outcomes.</p>	<p>The Workforce Development &amp; People Strategy Action Plan should include a requirement to review and monitor the effectiveness of salary enhancements used to attract and retain staff.</p>
3	<p><b>Factors Impacting Recruitment</b></p> <p>Our review of the Draft Workforce Development &amp; People Strategy found that this only includes generic and national factors impacting on recruitment.</p>	<p>Incorporate the factors that impact on recruitment specific to NNDC in the Draft Workforce Development &amp; People Strategy.</p>

No.	Observation	Advisory Action
4	<p><b>Performance Metrics - Draft Workforce Development and People Strategy</b></p> <p>Section 7 of the Draft Workforce Development &amp; People Strategy - Measuring the Impact of the Workforce Development &amp; People Strategy, includes:</p> <p><i>'Our performance in achieving our strategic objectives will be closely monitored and measured against the deliverables listed within the Workforce Development &amp; People Strategy.</i></p> <p><i>Our targets will be measured by successful processes and workforce planning; Staff Management information statistics seeing improvements in areas which can be positively influenced by the Workforce Development &amp; People Strategy; improvement in employee engagement with Pulse Surveys/Employee surveys; achievements of external standards and/or awards (such as Investors in People); achievement of the action plan and by what our employees are telling us.</i></p> <p><i>The progress will be measured and reported to the CLT and Joint Staff Consultative Committee annually.'</i></p> <p>We established that there are no clear metrics for measuring success in terms of implementation and ongoing effectiveness of the Strategy.</p>	<p>Ensure clearly defined performance metrics for measuring success, in terms of implementation and effectiveness, are included in the Workforce Development and People Strategy and these should be Specific, Measurable, Achievable, Relevant and Time-Bound. (SMART).</p>

No.	Observation	Advisory Action
5	<p><b>Performance Metrics - Draft Learning and Talent Development Strategy</b></p> <p>Through enquiry and review of the Draft Learning and Talent Development Strategy, we found that there are no clear metrics for measuring success in terms of implementation and effectiveness.</p>	<p>Introduce clearly defined SMART (Specific, Measurable, Achievable, Relevant and Time-Bound) performance metrics for measuring success, in terms of implementation and effectiveness, for the Learning and Talent Development Strategy.</p>
6	<p><b>Draft Workforce Development &amp; People Strategy Action Plan</b></p> <p>Though our review of the Draft Workforce Development &amp; People Strategy Action Plan (contained within the Strategy) we found that actions do not include a responsible person and currently only record a year for completion, rather than a specific implementation date.</p> <p>As a result, the monitoring of action progress will lack robust governance.</p>	<p>The Workforce Development &amp; People Strategy Action Plan should include a responsible person and / or group with specific target dates for implementation of actions.</p>

No.	Observation	Advisory Action
7	<p><b>Governance (Monitoring Implementation of Actions Plans)</b></p> <p>Review of the Draft Workforce Development &amp; People Strategy and Learning and Talent Development Strategy (The Strategies') found that governance and oversight arrangements for monitoring the implementation of actions were not yet defined.</p> <p>Discussions with the HR Manager indicated that quarterly reviews through the JSCC and CLT could be implemented, which we consider appropriate and consistent with our benchmarking of governance and reporting arrangements for Workforce Development Strategies at other councils.</p>	<p>Ensure the requirements for oversight and monitoring the implementation of actions is defined within the Workforce Development &amp; People Strategy and Learning and Talent Development Strategy (i.e. who and when).</p>
8	<p><b>Corporate Values</b></p> <p>Our review of The Strategies identified that these did not include the Council's Corporate Values. As the Corporate Values underpin culture, behaviours, expectations and purpose on what the Council does, they have a direct association with recruitment, retention and staff development.</p>	<p>The Council's Corporate Values should be embedded in the Strategies.</p>

No.	Observation	Advisory Action
9	<p><b>Leaver Exit Interviews / Survey Questions</b></p> <p>We were advised that questions asked as part of the leaver survey process have not been reviewed or updated for a number of years. In addition, the questions asked are not aligned with the Workforce Development &amp; People Strategy.</p> <p>We also understand that although leaver exit interviews do take place in some instances, they are not always conducted as they are reliant on resources being available at the time.</p>	<p>Leaver survey questions should be reviewed to ensure that these are fit for purpose and provide useful data to be able to gain insights into reasons why people are leaving and to feed into actions to take to improve staff retention.</p> <p>Leaver exit interviews with an independent person should be conducted wherever possible in order to extract key information to improve staff retention rates.</p>
10	<p><b>Capture and Analysis of Leaver Data</b></p> <p>Systems do not enable reporting on leaver questionnaire data, nor are results captured other than being stored on individual personnel files.</p> <p>As a result, key information is potentially not readily available to assist in developing and updating approaches to improve staff recruitment and retention outcomes.</p>	<p>Maintain a central combined record to capture staff leaver survey results (e.g. Excel spreadsheet) to provide insight into the reasons why staff leave the Council and feed this into related strategies.</p> <p>Develop the use of data analytics to identify and extract key themes from the leavers data base don whole population analysis.</p>

No.	Observation	Advisory Action
11	<p><b>Leaver Data Feedback and Informing the Strategies</b></p> <p>Leaver data has not been considered during the drafting of The Strategies and associated action plans.</p> <p>Leaver data has the potential to offer valuable insights into the reasons staff choose to leave, supporting the development of targeted actions to improve retention. It can also highlight positive experiences during their time at NNDC, which could be shared to promote the Council as an employer of choice.</p>	<p>Leaver data should be utilised and fed into future reviews of strategies and plans (i.e. to provide a feedback loop).</p>

## Appendix 3 - Outstanding Recommendations by Year

Year 2021/22

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
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 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	Assistant Director - Finance & Assets	25/05/22	31/03/2026	<p>February 2026: The Assistant Director Finance &amp; Asset is holding a meeting with the respective officer from BCKLWN to discuss the final comments we have on the updated SLA to hopefully get the new SLA agreed.</p> <p>Pre October 2025: We have recently received a draft SLA from BCKL&amp;WN and will seek to address the recommendation through the implementation of the new SLA.</p>

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Land Charges	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.	2	Planning Support Manager	30/03/24	31/06/26	<p>February 2026: Further work with Finance (bank reconciliations) will be required to better understand interrogation of the various systems.</p> <p>Pre October 2025: Priority of the team has been related to the transfer of the local charges 1 to the Land Registry, the work for which has now been completed. This will allow for further discussions to take place with relevant officers on how this audit recommendation could be implemented given that the requirement either needs changes to a system outside of the councils control or the manual reconciliation of financial figures for which resources are not in place.</p>

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Commercial Estates	4a. The Council should Implement a regular inspection schedule to assess tenant compliance with maintenance responsibilities. This will help identify issues early, allowing for timely intervention and reducing long-term repair costs.4b. The Council should check if a compliance check has been completed for two samples (UPRN 1689, UPRN 5005) where we could not obtain evidence.	2	Assistant Director Finance & Assets	01/08/25	31/03/26	<p>February 2026: Progress has been slower than anticipated due to staff capacity constraints. However, Estates and Property Services have undertaken initial trial inspections of tenant compliance at a small number of properties. These inspections identified shortfalls in tenant activity, for which appropriate remedial action has been taken.</p> <p>A formal inspection schedule will be implemented going forward. All inspections and any required actions will be documented within Concerto, the Council's asset management system, ensuring a consistent and auditable record of compliance.</p>

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Commercial Estates	1. The Estates team should monitor the completion of the Commercial Property Strategy and ensure that a formal policy and procedures for rent setting are included. The Strategy should outline the principles guiding rent setting, such as market demand, location, and economic indices like CPI and RPI. The policy should also specify the required procedures, including discussions and approvals necessary for setting rent. This would standardise the approach across all tenancies, ensuring that all rent setting decisions are made with a clear understanding of the necessary steps and considerations, enhancing accountability and clarity in the process.	2	Assistant Director Finance & Assets	10/10/25	31/03/26	<p>October 2025: This forms part of the asset management plan, which is still going through internal processes, which has been delayed due to LGR. It is hoped to progress this forward in the coming quarter</p> <p>Pre October 2025: To be considered alongside LGR implications.</p>
Commercial Estates	The Estates team should monitor the drafting process of the Commercial Property Strategy and ensure that clear standards and time frames for advertising vacant	2	Assistant Director Finance & Assets	10/10/25	31/03/26	October 2026: This forms part of the asset management plan which is still going through internal processes. It is hoped to progress this forward in the coming quarter.

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	properties are included to ensure consistency and efficiency.					Pre October 2025: To be considered alongside LGR implications.
ICT-Cyber Security	The cyber security supply chain must be fully documented with type of data/asset, if sensitive information is being shared, level of access provided, if a Data Protection Impact Assessment (DPIA) has been conducted, supplier's key contact details and current security controls mapped out for each asset.	2	Networks Manager	31/03/25	31/03/26	February 2026: Due to other work commitments this has not been completed, revised date 31/03/26.  October 2025: Due to other work commitments this has not been completed, revised date 31/03/26
Private Sector Housing - HMOs, private rental enforcement and empty homes	The Council to review and update the Environmental Health Department Enforcement Policy and Housing Health and Safety Rating System (HHSRS) Operating Procedure to ensure they reflect current standards, best practices and comply with the Housing Act 2004.	2	Assistant Director - Environment & Leisure Services	31/01/25	31/03/26	February 2026: Review of Enforcement Policy needs to include new renters reform powers - therefore an extension is required to ensure that the policy encompasses this element of enforcement work too.  October 2025: Outstanding, need to identify resource to complete

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Private Sector Housing - HMOs, private rental enforcement and empty homes	The Council to produce a formal HMO (House in Multiple Occupation) Policy that aligns with the Council's requirements as specified in Part 2 of the Housing Act 2004, particularly sections 61 and 62. This policy will consolidate related information into a single document, with appropriate links to supporting documentation. In support of this recommendation, all policy and procedural documentation should include issue and review dates to ensure that the information remains current and accurate.	2	EP Team Leader	01/04/25	31/03/26	February 2026: Progressing through democratic process.  October 2025: Still to be signed off by Cabinet - added to cabinet work programme.

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Section 106 Arrangements	To review all unspent available amounts that have exceeded their "spend deadline" dates and take appropriate action in accordance with the s106 agreements.	1	Development Manager and s106 Officer	30/09/25	30/11/25	January 2026: A new S106 Officer is starting in January 2026. The new postholder will review the available funds and respective due dates and other workings the outgoing postholder prepared and move this recommendation forward.
Section 106 Arrangements	To ensure that, for each planning application, evidence is retained to confirm that all necessary consultations have been undertaken especially before the s106 agreement is signed.	2	Development Manager	30/09/25	31/04/26	February 2026: Other workload pressures with the Development Management service, including the preparation for and introduction of the new Local Plan, have taken priority. Now this is complete the DM Manager and DM Team Leaders can progress completion.  October 2025: This work is currently with the DM Team Leader group to progress but is

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
						not likely to be completed until later this year due to other workload pressures and capacity constraints within the DM Service.
Section 106 Arrangements	To ensure that the publicly available Exacom module on the NNDC website is complete and accurate regarding the amount available to spend on projects.	2	Section 106 Officer	30/09/25	30/11/25	February 2026: The new Section 106 Officer is currently working on this element, needing to review all records to ensure income and expenditure is fully accounted for. This is a time-consuming exercise but will ensure that the on-line records are accurate.  Exacom provides a direct link to Civica which will help moving forwards & is now being considered by IT.
Section 106 Arrangements	To promptly develop authorised, version controlled, end to end process documentation and Exacom user guides.	2	Development Manager and s106 Officer	31/12/25	31/05/26	January 2026: A new S106 officer has been recruited, starting on 5 January 2026 at 0.8 FTE alongside additional temporary resources from within the Council. The initial

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
						focus has been on processes and procedures related to the publication and distribution of S106 obligations - which is now completed. The remaining processes are being developed with the Planning Support Manager who is managing this team on a day-to-day basis with the Development Manager's support.
Section 106 Arrangements	To ensure that a deputy is fully trained to facilitate effective cover in the absence of the Section 106 and Infrastructure Levy Officer.	2	Development Manager and s106 Officer	31/12/25	31/03/26	January 2026: The new S106 officer started on 5 January 2026 with the permanent creation of a deputy post needing funding. The temporary assistance has been financed until April 2026. Available finances and preferred course of action will be agreed soon.
Section 106 Arrangements	To ensure that:- S106 agreements include a requirement for developers to notify the Council when a development commences and when key obligations are met;- Intelligence across the Council be improved regarding housing	2	Development Manager and s106 Officer	31/12/25	31/05/26	January 2026: This work has commenced with the S106 officer working with others within the Council to agree a way forward for accurate and timely information sharing. This will include how best to get

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	developments (e.g., affordable housing, play areas);- Developers complete an annual return on each site with a s106 agreement, detailing work undertaken and progress against each obligation.- Exacom accurately reflects due obligations and is used to proactively ensure that obligation payments are invoiced at the due date.					responses from Developers. We are also visiting neighbouring authorities to identify best practice. The Development Manager will be working with Eastlaw to complete the standard clauses of the S106 agreements, subject to Eastlaw agreement and capacity. All S106 and Unilateral Undertakings are now loaded onto Exacom.
Section 106 Arrangements	To ensure that: - Exacom completely and accurately records all s106 agreements; - Appropriate action is promptly taken for pre-2012 agreements so that monies received and currently reported as being 'available' to spend on Exacom can be allocated to the appropriate project.	2	Development Manager and s106 Officer	31/12/25	31/05/26	January 2020: All new S106 obligations are uploaded onto the DMS prior to planning decisions being issued and are loaded into Exacom thereafter, in accordance with processes and procedures which will be confirmed once the updated version of Exacom is released and training given to S106 Officer.  For older cases (pre-2012) this will take time to complete as the older cases are complex and the information not readily available. Work on the backlog

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
						has started but without further training on Exacom this is limited. The working Group proposal may need revisiting as this is not currently active following a director change. Although all agreements are on Exacom, their spend is not yet assigned so records are not complete.
Section 106 Agreements	To develop regular reporting of available s106 funds to appropriate key management and Parish/Town Councils.	2	Assistant Director - Planning	31/12/25	30/06/26	January 2026: Work is under way to ensure accurate records can be shared more widely. Reporting will be possible within six months.
Waste Management Contract with SERCO	<p>Policy/procedure notes be produced for all aspects of commercial and garden waste services. These notes to be version controlled and reviewed on a regular basis. This is to include: -</p> <ul style="list-style-type: none"> <li>• Processing of new or cancelled customers.</li> <li>• Amendments to customers (frequency of bin collections, bin size, number of bins)</li> </ul>	2	Leisure Business Support Manager	01/09/25	31/03/26	<p>January 2026: Procedure for Garden has now been completed. A new commercial waste system (database) is being developed, once completed a set of procedure notes will be completed. Go live for the new system is March 2026.</p> <p>October 2025: Procedures have now been finalised. Notes will follow once resourcing</p>

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	<ul style="list-style-type: none"> <li>• Management of systems (Interface, M3, and Whitespace).</li> <li>• Maintenance of contracts/agreements.</li> <li>• Invoicing/income collection</li> <li>• Debt recovery processes.</li> </ul>					allows, resourcing currently flexing into another important project, will be completed by deadline.

**Year 2025/26**

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
Environmental Health - Licensing	The Council to Integrate automated invoicing functionality within the Assure system to enable annual licence fees to be promptly billed and collected. Introduce a reconciliation and tracking process to identify unpaid licences and recover outstanding fees to ensure that debtors are identified in a timely manner and dealt with in	1	Assistant Director - Environment & Leisure Services	01/11/25	31/03/26	February 2026: Exploring whether Assure has functionality to allow this to happen. Licensing team are chasing outstanding payments and are taking appropriate action where debt is not cleared.  October 2025: No response received. This has only recently become outstanding.

Audit	Recommendation	Priority	Owner	Due Date	Revised Due Date	Latest Response
	accordance with the Licensing Act 2003.					
Environmental Health - Licensing	Review the Council's Licensing Policy to ensure it aligns with section 55A of the Licensing Act 2003 to suspend a premises licence if the holder has failed to pay the annual fee rather than reference to allowing a period of grace where annual payment has not been received. The legislative requirement to suspend licenses where payment has been requested but not received, should be invoked.	2	Assistant Dir & Business Support Manager– Environment & Leisure Services	01/03/26		

## Appendix 4 - For your information

Definitions for overall assurance opinions and recommendation ratings are shown below.

**Improvement Actions** - these are examples of how the Council could improve a process to be for example, more efficient or effective.

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 months.
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.

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<b>Q3 - Corporate Risk Register</b>	
<b>Executive Summary</b>	The Corporate Risk Register is reviewed by Committee annually and removal of risks where the residual risk score has met the target are proposed.
<b>Options considered</b>	Updating and sharing the corporate risk register represents good governance so no other options were considered.
<b>Consultation(s)</b>	All officers with responsibility for managing specific risks.
<b>Recommendations</b>	Recommended that the following is added to the Corporate Risk Register:  CR 045 - Introduction of Renters Rights Act will generate additional workload, through implementation requirements and actions of landlords prior to legislation taking effect
<b>Reasons for recommendations</b>	Introduction new legislation which impacts a number of service areas across the Council
<b>Background papers</b>	Risk Management Policy and Framework adopted by GRAC 3 December 2024

<b>Wards affected</b>	All
<b>Cabinet member(s)</b>	All
<b>Contact Officer</b>	Don McCallum, Director for Resources & S151

<b>Links to key documents:</b>	
Corporate Plan:	A strong, responsible and accountable Council
Medium Term Financial Strategy (MTFS)	N/A
Council Policies & Strategies	Risk Management Policy and Framework

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	N/A
Details of any previous decision(s) on this matter	Previous iteration of the Corporate Risk Register was taken to GRAC on 2 December 2025.

## **1. Purpose of the report**

1.1. To consider and amend the Corporate Risk Register.

## **2. Introduction & Background.**

2.1. The Corporate Risk Register is a tool used to identify and monitor current and emerging risks facing the Council and to track the progress of mitigations.

## **3. Proposals and Options**

3.1. The relevant risks and their mitigations are detailed in the report. Good governance requires continuous assessment of current and emerging risks. Not undertaking this work or the annual review by the Committee was not considered due to the wider duty of care to residents, businesses, members and other stakeholders.

## **4. Corporate Priorities**

4.1. The report and recommendations contribute to the Council's corporate plan objective to be a strong, responsible and accountable Council.

## **5. Financial and Resource Implications**

5.1. The recommendations of this report do not have any direct financial implications.

5.2. Comments from the S151 Officer:

I support these recommendations

## **6. Legal Implications**

6.1. None noted

### **Comments from the Monitoring Officer**

To promote good governance, Members receive this update of risks, for review, oversight, monitoring and consideration of removal of risk elements where appropriate.

## **7. Risks**

7.1. This report highlights the key risks faced by the Council.

## **8. Net ZeroTarget**

8.1. The recommendations of this report do not have any direct implications for Net Zero save that it notes the emerging uncertainty of achieving this target after the proposed new unitary vesting day.

## **9. Equality, Diversity & Inclusion**

9.1. The recommendations of this report do not have any direct implications for equality, diversity and inclusion.

## **10. Community Safety issues**

10.1. There are no issues relating to community safety arising from this report.

## **Conclusion and Recommendations**

Recommended that the following is added to the Corporate Risk Register:

CR 045 - Introduction of Renters Rights Act will generate additional workload, through implementation requirements and actions of landlords prior to legislation taking effect

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## Overview

Please note, due to the time taken to collate and update, this Q3 report was prepared based on information correct as at 31 December 2025.

During the period from 1 October to 31 December 2025, the Council continued to operate in a challenging external environment shaped by ongoing uncertainty in local government funding, wider economic pressures and continued service demand. In November 2025, Government published its Local Government Finance Policy Statement for 2026/27 to 2028/29, signalling further movement towards a fairer funding system, and on 17 December 2025 the provisional multi-year Local Government Finance Settlement was issued, although detailed implications for individual authorities remained subject to review at quarter end. This meant that financial sustainability, and medium-term planning remained key corporate risk considerations as at 31 December 2025.

The three 'red' risks are the Net Zero 2030 target, Coastwise delivery within the Government financial timeframe and delivering the medium term financial plan. Whilst funding is available to deliver the latter two the increased risk related to Net Zero is in part due to the acquisition of homes to reduce the financial burden of nightly temporary accommodation but thereby increasing the Council's Carbon footprint directly.

Risks with increased residual scores include:

- CR 028 Governance failures
- CR 034 Not achieving the Net Zero 2030 target
- CR 043 Introduction of Domestic Food Waste Collection

Retained risks with reduced residual risk scores are

- CR 035 Failure to achieve adoption of the Local Plan adopted on 17 December 2025

## Recommendations

### Corporate risks to be removed from the register

- None during Q3 update

### Corporate risks recommended for addition to the register

- CR 045 - Introduction of Renters Rights Act will generate additional workload, through implementation requirements and actions of landlords prior to legislation taking effect

**Risk Matrix**

5					
4	CR 035		CR 008	CR 015 CR 042	CR 034
3			CR 001 CR 002 CR 025 CR 037 CR 039 CR 044	CR 013 CR 028 CR 043 CR 045	
2			CR 024 CR 026	CR 010 CR 041	
1					
<b>Impact Likelihood</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

Risk Name:

**CR 001 Deteriorating/ underused property assets**

Updated: December-2025

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Council: Opportunity: 3 Increasing the rates of occupation on all council's commercial properties	Deteriorating/ underused property assets.  Lack of funding to repair and maintain assets and increased maintenance costs.  Loss of revenue / legal liability/ not achieving value for money /reputational risk/ capital commitment.  Primary - A Financial, Secondary - H Reputational	4 x 3 = 12	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	3 x 3 = 9  →	Production, approval and implementation of the Asset Management Plan	2 x 2 = 4	A number of projects are currently underway to address the deteriorating condition of assets. External contractors are still being used to provide support, which is helping to alleviate resource pressures. Regarding deteriorating assets; work is being progress amongst asset to improve these, including the submission of capital bids as part of the 26/27 financial year to seek to improve assets. The 2026/2027 budget also includes increase revenue provision for specific revenue expenditure required on assets.	Daniel King

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

Updated: December-2025

Risk Name:

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Greener: Coast: 3 Continuing our programme of investment in coastal and resort infrastructure and amenities, building on the progress made in recent years	Lack of ability to maintain coast defences and / or to support local coastal adaption needs.  Lack of Government funding  Inability to adapt to climate change - increased coastal erosion and flooding  Primary – E Strategic, Secondary - F Environmental and Social	5 x 5 = 25	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. Health and Safety repairs as needed Adequate budget provision both from revenue and capital to support R&M works and capital investment. Asset Condition Surveys.	3 x 3 = 9  →	10-year capital programme	3 x 3 = 9	Mundesley and Cromer schemes mostly completed, further necessary work such as Timber Groyne and Revetment repairs in assessment. Urgent health and safety repairs to assets are being undertaken. Non urgent repairs are being included in the ongoing repairs and maintenance programme. Overstrand cliff slip remedial works appear to be functioning well with no slip material deposited on the sea wall. East and West end scheme designed and sheet piling in procurement. Coast Protection Act consent publicised that will lead to finalisation of EA funding towards the scheme. Ongoing asset inspections and development of updated programme of works. Issues identified and storm impacts assessed as necessary.	Rob Goodliffe

**Risk Name:**

**CR 008 Loss of Information**

**Updated:** December-2025

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Council: Effective & Efficient: 4 Ensuring that strong governance is at the heart of all we do	Council: Effective & Efficient: 4 Ensuring that strong governance is at the heart of all we do  Loss of information assets.  Operational disruption, impact on customers.  Primary – A Financial, Secondary – H Reputational	4 x 5 = 20	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	3 x 4 = 12	Self-Assessment as part of cyber assessment framework (CAF) is being undertaken by the IT manager	3 x 3 = 9	Situation remains generally unchanged including the risk of resource pressures anticipated by LGR work	Cara Jordan

**Risk Name: CR 10 Housing Delivery not meeting targets**

**Updated:** February-2026

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Housing: Housing Need: 1 Supporting the delivery of more affordable housing, utilising partnership and external funding wherever possible	<p>The draft local plan housing target is 557 new homes per annum. The revised nation government framework (dec 2024) increases the target further to 932 new homes per annum (approximately 70% increase). Every year the council reports on how many new homes have been delivered in North Norfolk.</p> <p>Insufficient units coming forward via the planning system. Lack of interest from house building market. Lack of funding - especially for affordable house provision.</p> <p>Fewer homes for people to live in. Increase in homelessness Lower income levels for the council e.g. via council tax.</p> <p>Primary – E Strategic, Secondary - F Environmental and Social</p>	5 x 4 = 20	<p>Housing Strategy.</p> <p>Support and assist affordable housing providers.</p> <p>Use of capital.</p> <p>Local Plan.</p> <p>Development Management.</p> <p>Responded to NPPF consultation.</p> <p>Annual Local Plan monitoring report</p> <p>Annual estimate of increase council tax receipts</p>	4 x 2 = 8	<p>Work to produce a new Local Plan.</p> <p>Delivery of the Planning Service Improvement Plan.</p> <p>Work with partners on Nutrient Neutrality matters.</p>	4 x 2 = 8	<p>The adoption of the new North Norfolk Local Plan (December 2025) sets the councils annual housing delivery requirement at 557 dwellings per acre from the date of the plan (2024). The Ministry of Housing, Communities and Local Government (MHCLG) monitors delivery on a rolling three-year average in arrears and compares the average against the then adopted Local Plan requirements for the same period through the Housing Delivery Test (HDT). Last years published results by the government (reflecting the 2023 HDT) demonstrates that delivery averaged 87%. In any updated results it is forecast to fall because of persistent under delivery over the previous three-year period and it is expected that a 20% buffer will need to be added to the housing requirement moving forwards, unless completion rates (and planning permission rates) increase. The government has announced that the 2024 results for the HDT (expected to be published in December 2025) have been delayed,</p>	David Glason

but that it expects to publish them later this year, simultaneously publishing the two year results for 2024 and 2025 together.

Risk Name:

CR 013 Emergency Event

Updated:

December-2025

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Statutory obligation	These events could include those that affect the Council and its resources or an event that affects the wider district.	3 x 4 = 12	Corporate Planning / Service Planning.	4 x 3 = 12	Review of strategic level response guidance, training and exercises.- review due to be completed spring 2025	3 x 2 = 6	There is a higher likelihood of concurrent emergency events during the winter storm season. The current joint Met Office/Environment Agency Flood Outlook shows an increased risk of flooding. A multi-agency Winter Preparedness workshop was held in September 2025. All NNDC-Critical business continuity plans have been updated.	Alison Sayer
	Any Internal or external event that has a significant impact on the Council.		Budget Process / Budget Monitoring.	→				
	The ability of the Council to deliver services is reduced.		Project management framework.					
	Primary – A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety), H Reputational		Emergency Response & Recovery Planning.  Business Continuity Planning.  Services' Business Continuity Plans (BCP). Corporate Business Continuity key role training. Corporate Policies and Procedures.  Employment Policies.  Forward adverse weather guidance.  Emergency Response Plan					

Risk Name: <b>CR 015 Medium Term Financial Plan</b>				Updated: December-2025				
Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score	Progress update	Lead Officer
Council: Effective & Efficient: 1 Managing our finances and contracts robustly to ensure best value for money	<p>Reduced funding to fund current service levels and produce a balanced budget. Use of reserves is not sustainable strategy to bridge income/ expenditure.</p> <p>Forecast funding reductions and shift to local financing from business rates, council tax and new homes bonus.</p> <p>Funding gaps in the medium to long term.</p> <p>Primary – A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health &amp; safety).</p>	4 x 5 = 20	<p>Reporting - New legislation and consultation.</p> <p>Policy Work.</p> <p>Lobbying Central Government.</p> <p>Medium Term Financial Strategy.</p> <p>Corporate Planning / Service Planning.</p> <p>Budget Process / Budget Monitoring.</p> <p>Monitoring impact of the business rates retention.</p> <p>Annual review of the Council's reserves.</p> <p>Timely agreement of the annual Localised Council Tax Support Scheme.</p> <p>Balanced budget agreed.</p>	4 x 4 = 16	→	3 x 3 = 9	The MTFS has been produced and taken to full council based on the draft Local Government Finance Settlement 2026. This is due to be updated shortly based on the longer term impacts as a result of the final Local Government Finance Settlement 2026. The forecasted positions in the budget that is being taken to Council on 18 February 2025 shows deficits. There continues to be pressure placed on the MTFS including delivery of new statutory services and unknown direction/impact of LGR. The finance team remain responsive to these changes, and continues to provide updates where useful.	Daniel King

Growth forecasting models.  
Business cases for commercialisation of assets to deliver future income and efficiencies.

Annual review of fees and charges.  
Monitoring of savings and additional income.

**Risk Name:**

**CR 024 People Resources**

**Updated:** February-2026

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Council: Effective & Efficient: 5 Creating a culture that empowers and fosters an ambitious, motivated workforce	Failure to retain and recruit adequately trained and experienced staff  Employment market conditions.  Negative impact on corporate plan, business transformation, performance and delivery. Primary – A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety)	3 x 4 = 12	Corporate Planning / Service Planning.  Review Pay Policy.  Review relocation policy.  Employee Referral Scheme.  Market Pay Review report. Apprenticeship programme. Check-in process.	3 x 2 = 6  →	Workforce and Development People Strategy has been drafted and will be approved in early 2025. A Learning and Development Strategy is being developed alongside. The aim of this strategy will be to retain current employees. Agile Working Policy	2 x 2 = 4	This document has been discussed at JSCC (November 2025). Work is ongoing to ensure this document and the Learning and Development Strategy are fit for purpose in line with LGR. Documents have been forwarded for corporate branding.	Susan Sidell

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 roles at NNDC.

Risk Name: <b>CR 025 Contract Failure</b>				Updated: December-2025				
Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Council: Effective & Efficient: 1 Managing our finances and contracts robustly to ensure best value for money	The Council has a number of contracts for service delivery.	4 x 4 = 16	Procurement Strategy.	3 x 3 = 9		2 x 2 = 4	Strong contract management is in place across all contracts and there is no evidence to indicate that there has been a significant change in either the likelihood of contract failure or on the impact should a contract fail. The significant contracts that the authority has in place with the highest impact are all subject to strong governance arrangements with regular management meetings as such they are not considered to be of concern at this time. It should be noted that the negotiations associated with the introduction of domestic	Steve Hems
	Failure of a contractor		Procurement Framework.	→				
	Increased costs and operational disruption.		Joint procurement protocol and opportunities for joint/shared procurement with other authorities. Advice for external suppliers.					
	Primary – D Operational (including capacity/ delivery/ resources/ health & safety), Secondary – H Reputational		Procurement Officer post established.					

food waste are continuing with the existing waste collection contractor.

**CR 026 Impact of Economic fluctuations on the North Norfolk economy**

**Updated:** December-2025

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score	Progress update	Lead Officer
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	Inability of the local economy to adapt to the fluctuations.  Fluctuations in the Local, National and Global economies.  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	3 x 2 = 6	HS 003 - Monitor the need for temporary accommodation and ensure suitable provision.  Medium Term Financial Strategy.  Corporate Planning / Service Planning.  Treasury Management Strategy.	3 x 2 = 6  →		2 x 2 = 4	Our programme for the transitional year of UKSPF and REPF is nearing the final stages and delivery has been good. Funding for future programmes is uncertain, however, we are engaged with other partners in the exploration and development of future programmes. The new approach to business engagement is well established, which enables us to better liaise with local	Robert Young

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

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.

enterprises - and respond accordingly - amongst which, generally resilience appears to remain strong, however the national and global context remains uncertain.

Risk Name: <b>CR 028 Governance failures</b>				Updated: December-2025		Target Score	Progress update	Lead Officer
Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Likelihood x Impact		
Council: Effective & Efficient: 4 Ensuring that strong governance is at the heart of all we do	Lack of governance, inadequate implementation and enforcement of governance.  Ignorance or non-observance of the Council's agreed governance protocols  Poor or illegal decision making  Primary – F Environmental and Social, Secondary - H Reputational	3 x 4 = 12	Corporate Planning / Service Planning.  Clear robust corporate governance framework.  Monitoring Officer actions to ensure governance risk is minimised.  Section 151 Officer actions to ensure governance risk is minimised.  Constitution/Standing Orders/Scheme of Delegations.  Committee report templates.  Member/ Officer Protocol.	4 x 3 = 12  ↑	Evaluate Improvement and assurance framework self-assessment from the LGA as a potential replacement for the Self-assessment assurance statements process.  Ensuring there are sufficient staff for S151 Officer and Monitoring Officer  Recruitment of new Director for Resources and S151 Officer	2 x 2 = 4	Whilst the statutory officers are in place there is some additional risk due to the resource and capacity pressures, including sufficiency of provision of support for statutory officers and anticipated increase of work connected to LGR	Cara Jordan

Operation of Overview and Scrutiny Committee.

Annual Governance Statement supported by assurance framework.

Operation of Standards Committee.

Annual Monitoring Officer Report.

Head of Internal Audit assurance.

Audit programme.

Operation of Constitution Working Party.

**Risk Name:**

**CR 034 Not achieving the Net Zero 2030 target**

**Updated:** December-2025

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Greener: Net Zero: 1 Continuing our own annual emissions reductions to reach Net Zero by 2030	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.  Inaction/ inability to reduce  Not achieving net zero by 2030. Impact on the reputation of the Council. Financial impact - needing to offset emissions.  Primary – E Strategic, Secondary – F Environmental and Social and H Reputational	5 x 4 = 20	Delivering NZSAP and considering the formation of a decarbonisation board.  Formal review of NZSAP every two years. Update and adapt the plan to meet the net zero target.  Continual monitoring of the delivery of the NZSAP as a major project through the project board.  Quarterly monitoring delivery through the Performance Management Framework.	5 x 4 = 20  ↑	Additional investment in renewable generation and or other offsetting initiatives.  Introduce climate impact assessment tool.  Embed staff climate emergency group.	3 x 4 = 12	Monitoring of the Carbon footprint continues in an increasingly accurate manner, however new sources of emissions have arisen and are predicted (e.g. additional assets, food waste collection) which will impact upon the ability to reach the 2030 target. The Net Zero Strategy and Action Plan has been revised and the Decarbonisation Board is overseeing its implementation. Carbon	Robert Young

Opportunities to offset from general operations and developments.  
 Ensure net zero considerations are at the forefront of all Council decision making.  
 Decarbonisation board meeting regularly.  
 Ensure all staff and Members are carbon aware - training programme delivered.

reduction projects to-date continue to be monitored and have so far yielded effective outcomes. The Board will ensure a focused approach is taken to targeting future investment, utilising available data, and the available funding, as appropriate.

Risk Name: <b>CR 035 Failure to achieve adoption of the current draft Local Plan</b>				Updated: December-2025			
Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update  Lead Officer
Statutory obligation	Loss of key staff, changes in legislation and political expectations	5 x 4 = 20	Effective project management.	1 x 2 = 2	Work through process to get local plan adopted.	2 x 2 = 4	David Glason
	Local Plan process being delayed.		Ensuring there is a pool of suitably skilled and knowledgeable Planning staff that can be called on to contribute to the Local Plan process.	↓			
	Failure to deliver corporate objectives for all themes.		Member Training.				
	Primary – D Operational (including capacity/ delivery/ resources/ health & safety), Secondary – E Strategic and H Reputational		Following the departure of the Planning Policy Manager transitional arrangements have been put in place (Spring 2024)				

**CR 039 Rocket House building repair and energy improvement works**

**Updated:** December-2025

Risk Name:	CR 039 Rocket House building repair and energy improvement works			Updated:	December-2025			
Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Strong and Responsible – Maximising Opportunity - Increasing the rates of occupation on all council’s commercial properties.	Exceeds capital budget allocated. Works might not be successful in dealing with damp and increasing EPC rating. Building needs repair and energy performance works to be fully lettable. 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.	4 x 4 = 16	Independent surveys (3) of the building.  Budgeted repair costs prepared by independent quantity surveyor.  Indicative timeline prepared.	3 x 3 = 9  →	Reletting of the ground floor vacant area of the building once repairs complete. EPC rating assessment.  Cabinet approval planned for new lease agreements during 2025.	2 x 2 = 4	Specifications for the refurbishment of the museum area are being developed in relation to M & E, which have delayed tender documents being issued. Acoustic survey is planned. Advice regarding land covenants is in progress and in preparation for seeking formal consent to works alongside a planning application which is to be prepared.	Renata Garfoot

Primary - A Financial, Secondary - D Operational (including capacity/ delivery/ resources/ health & safety), H Reputational

Capital budget of £1m approved.

Damp monitoring.

Works timeline and budgets are being refined as information becomes available. Monthly meetings with the tenant continues.

Agreement made with a tenant vacating to enable the works to go ahead.

Procurement of contractors to do works.

Agree and implement contract management process.

Valuation advice is being sought regarding the long term lease.

Technical advice on waterproofing.

### CR 041 - Local Government Reorganisation – threat to organisational capacity

Risk Name:

Updated: February-2026

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Council: Strong and responsible - Effective and Efficient	Capacity issues generated by Devolution and Local Government Reorganisation (LGR)  Whether there is sufficient capacity to address the work that will be involved in preparing for LGR including the necessary governance, the structures and finance alongside other emerging issues e.g. the implementation of a separate food waste collection by March 2026.	4 x 3 = 12	Work is being done collaboratively across the seven district councils, easing the burden on individual councils.  Consultants appointed to deliver options based on common evidence base.	4 x 2 = 8  →	Continuation of joint working with other districts.  Member updates	4 x 2 = 8	Devolution - Norfolk and Suffolk County Councils (as the responsible upper tier authorities) formally agreed to establish Mayoral Combined Authority in October 2025. Government announced in December that the Mayoral election scheduled for May 2026 would now be postponed until May 2028. Further discussions with Government are taking place to establish a	Steve Blatch

Work will not be able to be progressed with sufficient speed to meet the tight timescales and may impact on the delivery of other work.

Primary: D Operational (including capacity/ delivery/ resources/ health & safety) Secondary: E Strategic G

Member briefings and regular committee reports

Agreement to increase project management support to other projects such as the introduction of food waste.

Performance Management Framework compliance.

Foundation strategic authority to cover the period up until the May 2028 Mayoral election.

LGR - Full business case submitted to Government on 26th September (after Full Council vote on 24th September) and now subject to appraisal by MHCLG officials alongside the proposal for a single unitary made by NCC and 2 unitary proposal made by South Norfolk Council.

Partners to Future Norfolk partnership continued to develop narrative and proposals for the 3 unitary councils, including sharing with Town and Parish Councils (NNDC workshops 13th and 18th of November).

Statutory consultation launched by MHCLG on 19th November through until 11th January 2026, NNDC response to statutory consultation agreed by Cabinet at special meeting on Monday 5th January 2026.

Separate to the above and agnostic to any decision made by Government in early 2026 the 7 Norfolk districts and the County Council have begun to scope some outline workstreams around data, systems, contracts, workforce and regulatory services, as well as preparing a specification for a strategic implementation partner to be appointed jointly from April 2026.

**Risk Name:** CR 042 - Coastwise – delivery within Government financial timeframes

**Updated:** December-2025

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
Greener: Coast: 1 Realising the opportunities of external funding to secure a sustainable future for our coastal communities through transition and adaptation responses	Inability to deliver well considered coastal transition activities within the limited timeframe offered by Government funding windows Urgent need from the government to progress but limited by national funding allocation time frames which don't fit community timeframes, the complexities of the project and development of completely new approaches. Government do not roll forward funding into future years and north Norfolk misses out on the opportunities this funding is enabling Primary – Financial, Secondaries – Strategic, Environmental and Social, Reputational, Projects	4 x 4 = 16	Ongoing and timely discussions and updates with the Environment Agency  Ongoing monitoring of financial forecast and programme  Ongoing reporting to Environment Agency and DEFRA  Utilisation of Local Adaptation Fund  Reprofiling of forecast spend where necessary and possible	4 x 4 = 16  →	Approaching Government to extend programme timelines	3 x 3 = 9	Government has announced new Coastal Adaptation Pilots, North Norfolk is included to extend the timeframe for Coastwise. Additional funding and scope have been included alongside a 10% contribution required. Details are not yet available regards how this may impact on timeframe of CTAP funds. Continued progression of key delivery areas.	Rob Goodliffe

**Risk Name: CR 043 - Introduction of Domestic Food Waste Collection**

**Updated:** January-2026

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
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<p>Our Greener Future: Tackle Environmental Waste and Pollution &amp; Statutory Obligation</p>	<p>Non-Delivery of domestic weekly food waste collections in line with the statutory obligation as part of the amended Environment Act 2021 and the introduction of Simpler Recycling.</p> <p>Our contractor Serco not being ready to deliver on the deadline of April 2026, as a result of high demand on national supply lines of equipment such as vehicles and receptacles. Issues relating to depo capacity.</p> <p>Non-compliance of statutory obligations. Potential reputational risk. Financial impact from the inclusion of food waste in the general loads.</p> <p>Primary – G Governance, Secondary - F Environmental and Social, H Reputational</p>	<p>4 x 4 = 16</p>	<p>Risk Management Policy and Framework</p> <p>Project Management Framework</p> <p>Adequate staff or appropriately qualified external contractor support</p> <p>DEFRA funding of capital schemes.</p> <p>Procurement responsibility assigned.</p> <p>Budget Process / Budget Monitoring.</p> <p>The risk overseen by the project board.</p> <p>Regular stakeholder meetings – meetings taking place weekly – completed in the last quarter</p> <p>Keeping ward Members informed.</p> <p>Regular dialogue with Norfolk County Council.</p> <p>Monthly project meetings with contractor.</p> <p>Timeline prepared</p>	<p>4 x 3 = 12</p> <p>↑</p>	<p>Working closely with contractors to address issues around depo capacity</p> <p>Looking for suitable alternatives and options</p> <p>Following project plan and meeting deadlines contained within.</p> <p>Set up Project Board</p>	<p>1 x 1 = 1</p>	<p>There have been some complications around the availability of the depo site and the revenue funding not meeting the cost of the service. working with contract to find solutions for depo, reviewing revenue costs. Delay announced for vehicles 8-12 weeks, this will impact go live date.</p>	<p>Emily Capps</p>
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<b>Risk Name:</b>		<b>CR 044 - Cyber Risk</b>				<b>Updated:</b>		December-2025	
Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score	Existing Controls	Residual Risk Score	Action (to achieve target score)	Target Score	Progress update	Lead Officer	
		Likelihood x Impact		Likelihood x Impact		Likelihood x Impact			

Council: Strong and responsible - Effective and Efficient

Cyber risk refers to the potential for loss or damage resulting from a failure or breach in digital systems, often caused by malicious actors, system vulnerabilities, or human error. It's a key concern for businesses, governments, and individuals in our increasingly connected world.

- Threats: Includes malware, ransomware, phishing, insider threats, and denial-of-service attacks.
- Vulnerabilities: Weaknesses in software, hardware, or human behaviour that can be exploited.
- Breaches through third-party vendors or partners.
- The Cyber risk is increased as the postholder who was overseeing Cyber Security now has been promoted and has additional priorities and the post hasn't been back filled.
- Financial Loss: From theft, fines, or downtime.
- Reputational Damage: Loss of customer trust and brand value.
- Legal Consequences: Violations of data protection laws like GDPR or CCPA.
- Operational Disruption: Interruptions in service or production.

Primary - D Operational (including capacity/ delivery/ resources/ health & safety) Secondary - A Financial, H Reputational

4 x 4 = 16

Policies, procedures, and training(e.g. Security awareness training, incident response plans, access management policies).

Technical Controls: Firewalls, antivirus software, encryption, intrusion detection systems (IDS), MFA, patch management, data Backup & Recovery, Access Control, Audit Logging & protective monitoring

3 x 3 = 9



Monitoring (SOC)

Testing Recovery after a ransomware attack.

Purchase software that detects Data Loss.

Policies, procedures, and training(e.g. Security awareness training, incident response plans, access management policies).  
 Technical Controls: Firewalls, antivirus software, encryption, intrusion detection systems (IDS), MFA, patch management, data Backup & Recovery, Access Control, Audit Logging & protective monitoring

2 x 3 = 6

Despite the program of Cyber awareness training 30% of users clicked on the last simulated phishing email. A phishing attack is one of the most likely ways ransomware would enter our IT systems hence we need to think of better ways of getting the message across to double check with IT or contact the sender in a different way to verify that the email is from who it says it is. The External Cyber threat is probably about the same as last quarter but the IT Management are further stretched by the involvement in LGR workstreams giving less time to focus on managing Cyber Risk. A report on this is being prepared for the consideration of CLT.

Kate Wilson

Risk Name:

**CR 045 - Introduction of Renters Rights Act will generate additional workload, through implementation requirements and actions of landlords prior to legislation taking effect**

Updated:

February-2026

Corporate Objective	1. Description of Risk or potential event 2. Cause of risk 3. Consequence of risk happening 4. Risk category 5. Risk appetite	Inherent risk score  Likelihood x Impact	Existing Controls	Residual Risk Score  Likelihood x Impact	Action (to achieve target score)	Target Score  Likelihood x Impact	Progress update	Lead Officer
	<p>Introduction of Renters' Rights Act 2025 will generate additional workload, through implementation requirements and actions of landlords prior to legislation taking effect</p> <p>introduction of new legislation, impacting a number of service areas across the Council</p> <p>The Council will not fully meet its statutory obligations leading to a risk of challenge</p> <p>Primary - Operational (including capacity/ delivery/ resources/ health &amp; safety), Secondary - Governance</p>	4 x 3 = 12	Regular officer meetings in place to discuss implementation requirements	4 x 3 = 12	Action plan developed and delivered	2 x 2 = 4	Project team formed-national workshop being attended, training being undertaken. Need step to update policies and procedures.	Emily Capps

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

Likelihood ratings and dimensions

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

### *Risk Scoring*

Inherent risk score - Impact x Likelihood = Total rating. Risk score if no controls were in place.

Residual Risk Score - Impact x Likelihood = Total Rating. Risk score after current controls are taken into account.

Target Score – Impact x Likelihood = Total Rating. Risk score needed to ensure the risk score matches the risk appetite.

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

### *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 ↓

### *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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<b>Major Projects Oversight Board report March 2026</b>	
<b>Executive Summary</b>	The Major Projects Oversight Board meets bi-monthly to review the progress and risk management of the significant projects. Specific projects are selected for closer examination in turn. No significant changes in risk profile, project delivery or outcomes have been identified that need to be escalated to the Committee.
<b>Options considered</b>	Not applicable report for information.
<b>Consultation(s)</b>	Not applicable report for information.
<b>Recommendations</b>	Committee is requested to note the report.
<b>Reasons for recommendations</b>	Report for information.
<b>Background papers</b>	None

<b>Wards affected</b>	Not applicable.
<b>Cabinet member(s)</b>	Not applicable.
<b>Contact Officer</b>	Don McCallum, Director of Resources and s151. don.mccallum@north-norfolk.gov.uk

<b>Links to key documents:</b>	
Corporate Plan:	A strong, responsible and accountable council.
Medium Term Financial Strategy (MTFS)	Good governance supports delivery of the MTFS.
Council Policies & Strategies	Ensuring that strong governance is at the heart of all we do.

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	Not exempt
Details of any previous decision(s) on this matter	Not applicable.

## 1. Purpose of the report

To inform the Committee of the progress and findings of the Major Projects Oversight Board, and to reassure those charged with governance that the

approved major projects are within the scope, budget and risk appetite of the Council.

## 2. Introduction & Background

- 2.1. The Major Projects Oversight Board is an essential element of the NNDC project management and performance framework. The Board has responsibility for the oversight, direction and management of the Council's programme of Major Projects in terms of scale, leverage of and accountability for external funding, reputation and public expectation around projects which will deliver improved infrastructure and further investment opportunities in the district and/or the improved management of the Council's key assets.
- 2.2. The Board has responsibility for ensuring that projects financed (in whole or part) through the Council's Capital Programme and accountability for significant sources of external funding remain within scope, timeframe and budget. The Board does not have the remit to authorise spend. CLT/Cabinet approval should be sought by the Project Sponsor for any increase in budget, change in scope or budget re-profiling, in accordance with the Council's Constitution.
- 2.3. More information on the purpose of the board, the selection of projects and membership can be found within the appended Terms of Reference.

## 3. Proposals and Options

The Board last met on 29 January 2026 to discuss the following agenda;

Item No.	Item	Lead Officer
1.	Apologies for Absence	DM
2.	Deep Dive into following projects: <ul style="list-style-type: none"> <li>• FLASH</li> <li>• Rocket House</li> <li>• Pier</li> <li>• Watch House</li> </ul>	EC RT RT RT
3.	Review Project List	P&P
4.	Any Other Business	ALL

### 3.1. FLASH

- 3.1.1. The construction of the new swimming pool and facility upgrades at the Fakenham Leisure and Sports Hub was review was presented by the Director of Service Delivery. The demolition and ground works have begun and are on track.
- 3.1.2. Levelling Up Funding has been confirmed and extended beyond the expected completion date. Following value engineering around fixtures and fittings the project remains within budget.

- 3.1.3. Project governance and cost control will be overseen by external provider Alliance Leisure and an independent Clerk of Works also appointed.
- 3.1.4. The 3G pitch proposal has been decoupled from the main project as subject to discrete funding from the Football Federation which is to be confirmed.
- 3.1.5. Actions include creating a master GANTT chart to include all elements of construction, upgrades and service delivery by the operator Everyone Active.
- 3.1.6. Risk profile highlighted the need to sign the UKPN lease and substation upgrade. Legal and Estates teams to mitigate.

### **3.2. Rocket House**

- 3.2.1. Upgrades to M&E equipment to facilitate the re-occupation of the museum by the RNLI. Awaiting tenant acceptance of specification.
- 3.2.2. Tender pack to be issued in February and surveys and consents being acquired.
- 3.2.3. Action to confirm handover date with tenant.

### **3.3. Cromer Pier**

- 3.3.1. Urgent repairs to four critical junction points during the winter closure of the Pavillion Theatre.
- 3.3.2. On track to complete by 18 February 2026 in time for theatre reopening.
- 3.3.3. Action to program Phase 2 structural works throughout 2026/27 subject to Full Council approval of the capital program. *Subsequently the Council approved the remaining structural repairs budget.*

### **3.4. Watch House**

- 3.4.1. Stabilising the cliff between Rocket House and a private dwelling.
- 3.4.2. Open procurement underway and the budget is still deemed adequate.
- 3.4.3. Ongoing engagement with the resident.

### **3.5. Review of Project list**

- 3.5.1. Officers considered updates on the wider programme and noted;
  - 3.5.1.1. Domestic Food Waste - Provision of depot facilities; awaiting mobilisation costs from Serco; Implications of LGR on the provision of services by successor authority.
  - 3.5.1.2. North Lodge Car Park – Planning Committee hearing 19/3/26.
  - 3.5.1.3. Forward Planning – Project management team mapping programme-level interdependencies across the authority.

### **3.6. Future agenda**

- 3.6.1. March 2026 deep dive Domestic Food Waste.
- 3.6.2. May 2026 deep dive Coastwise.

## **4. Corporate Priorities**

This report on the activities of the Major Project Oversight Board contributes to;  
A strong, responsible and accountable council.

## **5. Financial and Resource Implications**

No direct financial implications arise from this report.

**Comments from the S151 Officer:**

This report is for information.

**6. Legal Implications**

No legal implications.

**Comments from the Monitoring Officer**

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

*The report is for information*

**7. Risks**

The report itself does not attract risk, but its presence reduces the risk of governance failure.

**8. Net ZeroTarget**

The report itself does not have implications for the Net Zero Target.

**9. Equality, Diversity & Inclusion**

The report itself does not have implications for Equality, Diversity & Inclusion.

**10. Community Safety issues**

The report itself does not have implications for Community Safety.

**Conclusion and Recommendations**

No significant changes in risk profile, project delivery or outcomes have been identified that need to be escalated to the Committee. The Committee is recommended to note the report.

## **Appendix - Major Projects Oversight Board Terms of Reference**

### **1.0 Scope**

- 1.1 The Council's 2023-2027 Corporate Plan has A STRONG, RESPONSIBLE AND ACCOUNTABLE COUNCIL as one of its five corporate priorities and states that "We will ensure the Council maintains a financially sound position, seeking to make best use of our assets and staff resources, effective partnership working and maximising the opportunities of external funding and income.
- 1.2 As a key cross-cutting theme impacting on almost everything the Council does, the way the Council uses its increasingly pressured finances, seeks to maximise sources of external funding and manages projects in an efficient manner, will be key measures of the Council's success in terms of delivering its Corporate Plan ambitions and maintaining the provision of high-quality services. The Major Projects Oversight Board will therefore have a critical role in monitoring the delivery of major projects against key financial and timescales milestones.

### **2.0 Purpose**

- 2.1 The Major Projects Oversight Board is an essential element of the NNDC project management and performance framework. The Board has responsibility for the oversight, direction and management of the Council's programme of Major Projects in terms of scale, leverage of and accountability for external funding, reputation and public expectation around projects which will deliver improved infrastructure and further investment opportunities in the district and/or the improved management of the Council's key assets.
- 2.2 The Board has responsibility for ensuring that projects financed (in whole or part) through the Council's Capital Programme and accountability for significant sources of external funding remain within scope, timeframe and budget. The Board does not have the remit to authorise spend. CLT/Cabinet approval should be sought by the Project Sponsor for any increase in budget, change in scope or budget re-profiling, in accordance with the Council's Constitution.

### **3.0 Objectives**

- 3.1 The Board has responsibility for overseeing progress and project delivery of a number of major projects, dependent in large part (but not exclusively) on sources of external (usually UK Government) funding which have been developed and are being led the Council and for which the Council has accountable body and reporting status and responsibilities.
- 3.2 The Board will receive initial project proposals with a capital value over £500,000 or with a significant corporate reputational risk to ensure compliance with the project governance framework and will approve the further development of the proposal project brief. Each proposal will be assessed against the Corporate Plan objectives to ensure proper resourcing and focus.

- 3.3 The Major Projects Oversight Board will have strategic oversight of the Council's Capital Programme and as appropriate provide advice to Cabinet of the affordability of projects and spend against profiled budgets.
- 3.4 The Board will receive regular reports on the progress of projects to ensure delivery against key timelines, project milestones, value for money etc and as necessary seek to understand and support any actions proposed to address challenges, project slippage, significant budget variances etc.
- 3.5 As necessary, if there are deemed to be any corporate resourcing issues (capacity / ability of internal teams) to support timely delivery of a project against other service or team priorities and pressures these will be highlighted and attempts made to resolve by the Board.
- 3.6 A similar position would be adopted with external partners, statutory undertakers with the Chair of the Board delegated to write to such bodies to resolve issues impacting on the delay of project delivery.
- 3.7 As appropriate, any significant concerns over project delivery and budget variances will be shared with CLT and Cabinet and as necessary added to the Corporate Risk Register.
- 3.8 Any necessary actions / mitigations agreed for reporting to members will be through Performance reports to the Overview and Scrutiny Committee.

#### **4.0 Membership**

##### 4.1 Board members:-

<b>Name</b>	<b>Programme Role</b>	<b>Job Title</b>
Don McCallum	Chair, Programme Champion	Director for Resources, S151 Officer
David Glason	Scrutineer / critical friend	Assistant Director Planning
Cara Jordan	Scrutineer / critical friend	Assistant Director Legal & Governance
Erika Temple, David Kingfisher, Rob Sayles, John Taylor	Corporate Project Manager resource	Corporate Programme & Project Managers
Kathryn Brown	Administrative support	Corporate EA

- 4.2 The Board will determine which officers are required to attend meetings based on particular projects or themes as required.
- 4.3 Officers with lead responsibility for the development and delivery of major corporate projects who would be expected to routinely attend meetings of the Board to report on the progress being made against key project milestones, budget, project completion and learning.

## **5.0 Meetings**

- 5.1 The Major Projects Oversight Board shall meet bi-monthly and items for the agenda will be agreed in advance.
- 5.2 All meetings of the Major Projects Oversight Board will be supported (preparation of agendas and minutes) by a member of the Corporate EA Team.
- 5.3 Items and papers for the agenda should be prepared and provided to the Corporate EA supporting the Board no less than five working days prior to the meeting, with the agenda being agreed by the Chair before circulation.
- 5.4 As a key element of the Council's performance management framework Board representatives are expected to prioritise their attendance at Board meetings and in order to provide for focus and consistency of process, ordinarily substitutes will not be required to attend.
- 5.5 Meetings should be of a manageable length, normally no longer than 2 hours, and be outcome focussed.
- 5.6 Notes and actions from meetings will be recorded and confirmed at the end of the meeting. Draft minutes will be available within 5 days of the meeting.

## **6.0 Reporting**

- 6.1 Major Projects Oversight Board agendas, papers and minutes will be stored centrally by the Corporate EA Team and shared on the Board's SharePoint site.
- 6.2 The Chair will ensure that any exceptional outcomes of Board meetings are reported to the Corporate Leadership Team following each meeting. The report to CLT will include a summary of the critical actions / risks / issues and finance position.

## **7.0 Review**

The Board, including its Terms of Reference, will be reviewed and evaluated at least annually in relation to performance against the objectives by CLT.

## **8.0 Version control**

<b>Date</b>	<b>Author</b>	<b>Version</b>	<b>Notes</b>
20/02/2024	S Blatch	1.0	Initial draft
02/05/2024	S Blatch	2.0	CLT draft
08/05/2024	CLT / S Blatch	3.0	CLT agreed
30/05/2024	S Blatch	4.0	Final draft
31/10/2025	K Brown	5.0	Changes to board members following departures of NNDC staff

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<b>Treasury Management Q3 Report 2025/26</b>	
<b>Executive Summary</b>	This report sets out the Treasury Management activities undertaken during the third quarter of the 2025/26 Financial Year. This is to give members a regular update on treasury management activities.
<b>Options considered</b>	This report must be prepared to ensure the Council is compliant with the CIPFA Treasury Management and Prudential Codes.
<b>Consultation(s)</b>	Cabinet Member Section 151 Officer  This report has been prepared with the assistance of MUFG Treasury Services, the Council's Treasury advisors.
<b>Recommendations</b>	To recommend to Full Council that the Treasury Q3 Report 2025/26 is noted
<b>Reasons for recommendations</b>	Updating Members demonstrates compliance with the Prudential Code to ensure adequate monitoring treasury management activity.
<b>Background papers</b>	The Council's Treasury Management Strategy 2025/26. Treasury Management Q1 Report Treasury Management Mid-Year Report

<b>Wards affected</b>	All
<b>Cabinet member(s)</b>	Cllr. Lucy Shires
<b>Contact Officer</b>	James Moore/Daniel King

<b>Links to key documents:</b>	
Corporate Plan:	This report is required to ensure the Council can demonstrate it is in a sound financial position and able to deliver the projects in the Capital Programme which support the Corporate Plan Objectives.
Medium Term Financial Strategy (MTFS)	This report supports the MTFS in confirming adequate financing is in place to deliver the Council's Capital Programme.
Council Policies & Strategies	The Council's Treasury Management Strategy 2025/26

<b>Corporate Governance:</b>	
Is this a key decision	No
Has the public interest test been applied	Not an exempt item.
Details of any previous decision(s) on this matter	N/A

## **1. Purpose of the report**

Approval of this report by Full Council demonstrates compliance with the Prudential Code to ensure adequate monitoring of the treasury management activity and capital expenditure plans for 2025/26.

It is also a requirement that any proposed changes to the 2025/26 prudential indicators are report to and approved by Full Council.

## **2. Introduction & Background**

- 2.1 This report sets out the Treasury Management activities undertaken during the third quarter of the 2025/26 Financial Year compared with the Treasury Management Strategy.

## **3. Proposals and Options**

- 3.1 Appendix A shows the Council's full Treasury Management Q3 Report 2025/26.

## **4. Corporate Priorities**

- 4.1 Ensuring there is adequate funding in place is essential to delivering the Council's Capital Programme which supports the Corporate Plan and MTFs.

## **5. Financial and Resource Implications**

- 5.1 This report is financial in nature and financial implications are included within the content of the report.

### **Comments from the S151 Officer:**

This report provides members with an update on treasury management activity for the period to 31 December 2025, including borrowing, investment performance and compliance with approved prudential indicators.

**6. Legal Implications**

6.1 None as a direct consequence of this report.

**Comments from the Monitoring Officer**

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly.

**7. Risks**

7.1 The interest and borrowing positions of the Council are outlined in Appendix A. Any significant amounts of unplanned expenditure or shortfalls in income related to the delivery of the Capital Programme could lead to decreased overall treasury income/increased overall treasury expenditure at year-end.

**8. Net Zero Target**

8.1 None as a direct consequence of this report.

**9. Equality, Diversity & Inclusion**

9.1 None as a direct consequence of this report.

**10. Community Safety issues**

10.1 None as a direct consequence of this report.

**11. Conclusion and Recommendations**

11.1 The Council's cash flow position shall be monitored throughout the financial year. Any concerns that may lead to borrowing costs that cannot be financed by current treasury operations will be immediately flagged to the Director of Resources/S151 Officer, alternative funding options will then be considered to finance any long-term debt.

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**North Norfolk District Council**  
**Treasury Management Q3 Report**

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## Treasury Management Update

### Quarter Ended 31<sup>st</sup> December 2025

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management 2021 recommends that members be updated on treasury management activities at least quarterly. This report, therefore, ensures this Council is implementing best practice in accordance with the Code.

#### 1. Economics update

- The third quarter of 2025/26 saw:
  - A -0.1% m/m change in real GDP in October, leaving the economy no bigger than at the start of April.
  - The 3myy rate of average earnings growth excluding bonuses fall to 4.6% in October, having been as high as 5.5% earlier in the financial year.
  - CPI inflation fall sharply from 3.6% to 3.2% in November, with core CPI inflation easing to 3.2%.
  - The Bank of England cut interest rates from 4.00% to 3.75% in December, after holding in November.
  - The 10-year gilt yield fluctuate between 4.4% and 4.7%, ending the quarter at 4.5%.
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern (0.1% q/q). October's disappointing -0.1% m/m change in real GDP suggests that growth slowed to around 1.4% in 2025 as a whole.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK rose from 51.2 in November to 52.1 in December, suggesting the economy may be benefitting somewhat from pre-Budget uncertainty fading. This may also reflect a diminishing drag from weak overseas demand. While the services PMI rose from 51.3 to 52.1, the improvement in the manufacturing output balance from 50.3 to 51.8 was larger. Indeed, the manufacturing sector has been more exposed to the recent weakness of external demand and has lagged the services sector since the end of last year.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. Nonetheless, the 0.1% m/m fall in retail sales volumes in November built on the 0.9% m/m drop in October, suggesting the longer-lasting effects of weak employment and slowing wage growth are impacting. Moreover, the decline in the GfK measure of consumer confidence from -17 in October to -19 in November suggests that consumers are not that optimistic at present.
- Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.

- Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.
- Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.
- After the Budget, public net sector borrowing of £11.7bn in November was comfortably below last November's figure of £13.6bn and was the lowest November borrowing figure since 2021, mainly due to tax receipts being £5.4bn higher, largely because of the hike in employer NICs in April 2025. Cumulative borrowing in the first eight months of 2025/26 was still £10bn above last year's total. However, lower inflation and a disposal of assets ahead of the Budget should mean borrowing in 2025/26 comes in below last year's total.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, the 38,000 fall in payroll employment in November was the tenth monthly decline in the past 13 months, causing the annual growth rate to slow further, from -0.5% to -0.6%. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022) but the less reliable Labour Force Survey data showed that employment fell by 16,000 in the three months to October, with the unemployment rate rising further, from 5.0% to 5.1%. All this suggests the labour market continues to loosen, albeit at a slow pace.
- A looser labour market is driving softer wage pressures. The 3myy growth rate of average earnings including bonuses eased from 4.9% in September to 4.7% in October. And excluding bonuses, the 3myy rate slowed from 4.7% to 4.6%. Regular private sector pay growth continued to slow from 4.2% to 3.9%. That left it broadly on track to meet the Bank's end of December prediction of 3.5%.
- CPI inflation fell sharply in November, easing from 3.6% in October to 3.2%. This was the third consecutive softer-than-expected inflation outturn and suggests that disinflation is well underway. There was a widespread easing in price pressures with inflation slowing in 10 of the 12 main categories. Core inflation fell from 3.4% to 3.2% and services inflation dipped from 4.5% to 4.4%. However, a great deal will depend on the adjustments to regulated and indexed prices scheduled for next April. Capital Economics forecast CPI inflation to drop from 3.2% in March to 2.0% in April, thereby leaving inflation on track to settle at the 2.0% target, or below, by the end of 2026.
- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to a high of c4.8%, before ending June at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of

high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although, subsequently, gilt yields fell back after the Budget, supported by a tighter fiscal plan, fewer tax hikes required following a smaller-than-expected downgrade to the OBR's fiscal forecast, and a favourable shift in bond issuance away from long-dated debt. Gilt yields hovered around 4.5% at the end of the quarter.

- The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further significant jump in value. The stock market hit new record highs above 9,900 in Mid-November, driven by a global rebound on hopes of a US government-shutdown resolution, expectations of a December rate-cut, and strong corporate earnings. Despite some jitters around Budget time, the FTSE 100 closed Q4 at 9,931, 5% higher than at the end of September and 22% higher since the start of 2025.

#### **MPC meetings: 8 May, 19 June, 7 August, 18 September, 6 November, 18 December 2025**

- There were six Monetary Policy Committee (MPC) meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for “signs of weak demand”, “supply-side constraints” and higher “inflation expectations”, mainly from rising food prices. By repeating the well-used phrase “gradual and careful”, the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was “finely balanced” and reiterating that future rate cuts would be undertaken “gradually and carefully”. Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that “a gradual and careful” approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

## **2. Interest rate forecasts**

The Authority has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts and commentary on 22 December 2025. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
<b>BANK RATE</b>	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
<b>3 month ave earnings</b>	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
<b>6 month ave earnings</b>	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
<b>12 month ave earnings</b>	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
<b>5 yr PWLB</b>	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
<b>10 yr PWLB</b>	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
<b>25 yr PWLB</b>	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
<b>50 yr PWLB</b>	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.
- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party. If so, how will gilt markets react to these variables...and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given", and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.

- Our revised PWLB rate forecasts are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.
- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.

### Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB borrowing	Current borrowing rates as at 22.12.25 p.m. %	Target borrowing rate now (end of Q4 2027) %	Target borrowing rate previous (end of Q4 2027) %
5 years	4.81	4.10	4.20
10 years	5.39	4.70	4.70
25 years	6.01	5.30	5.30
50 years	5.78	5.10	5.10

**Borrowing advice:** Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested **budgeted earnings rates for investments** up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now %	Previously %
2025/26 (residual)	3.80	3.90
2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad-hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

### **3. Annual Investment Strategy**

The Treasury Management Strategy Statement (TMSS) for 2025/26, which includes the Annual Investment Strategy, was approved by the Council on 19<sup>th</sup> of February 2025. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity, aligned with the Council's risk appetite. In the current economic climate, over and above keeping investments short-term to cover cash flow needs, there is a benefit to seeking out value available in periods up to 12 months with high credit rated financial institutions, using the MUFG Corporate Markets suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

As shown by the charts below and the interest rate forecasts in section 2, investment rates have started to taper downwards during the final quarter of 2025/26 and are expected to fall back further if inflation falls through 2026 and the MPC loosens monetary policy further.

#### **Creditworthiness.**

There have been few changes to credit ratings over the quarter under review. However, officers continue to closely monitor these, and other measures of creditworthiness to ensure that only appropriate counterparties are considered for investment purposes.

#### **Investment counterparty criteria**

The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

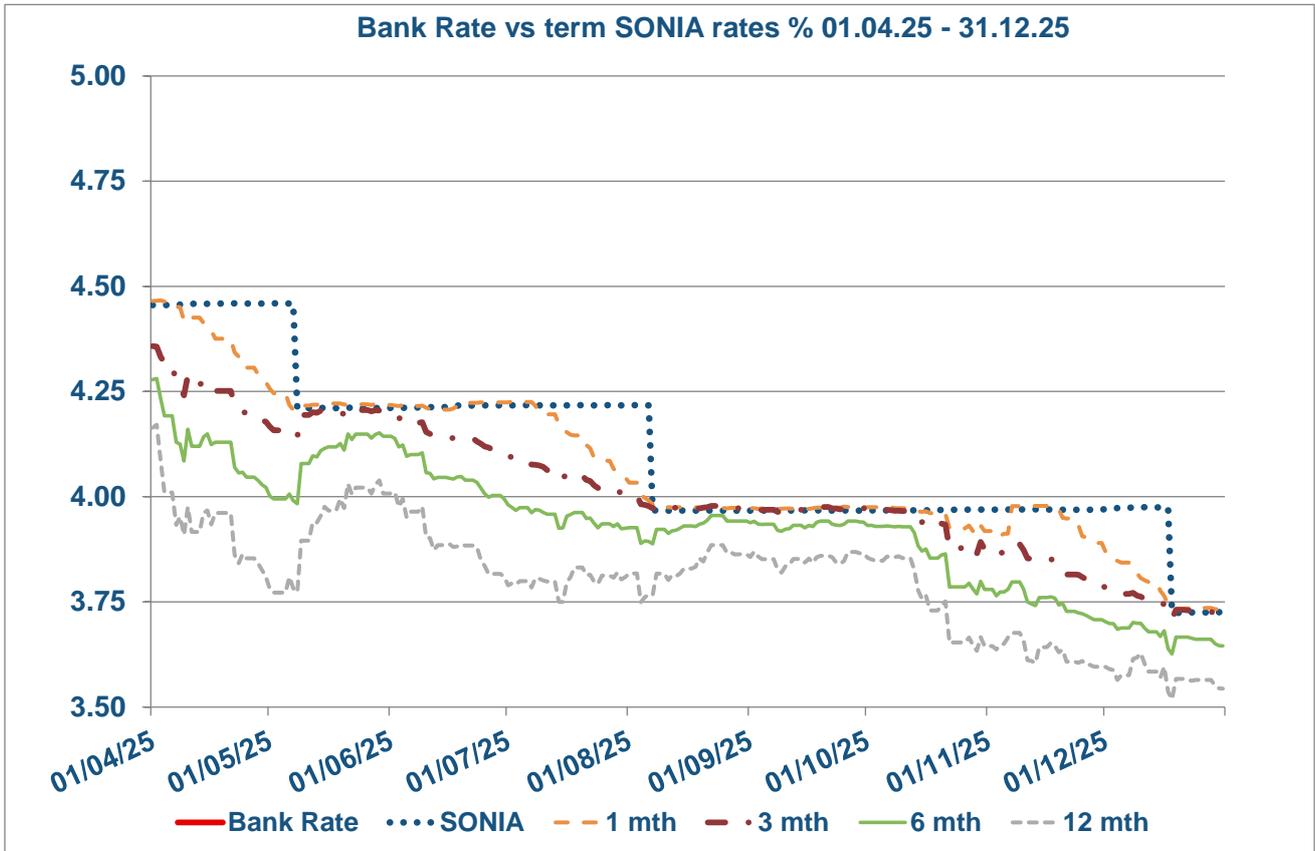
#### **CDS prices**

For UK and international banks, these have remained low, and prices are not misaligned with other creditworthiness indicators, such as credit ratings. Nevertheless, it remains important to undertake continual monitoring of all aspects of risk and return.

#### **Investment balances**

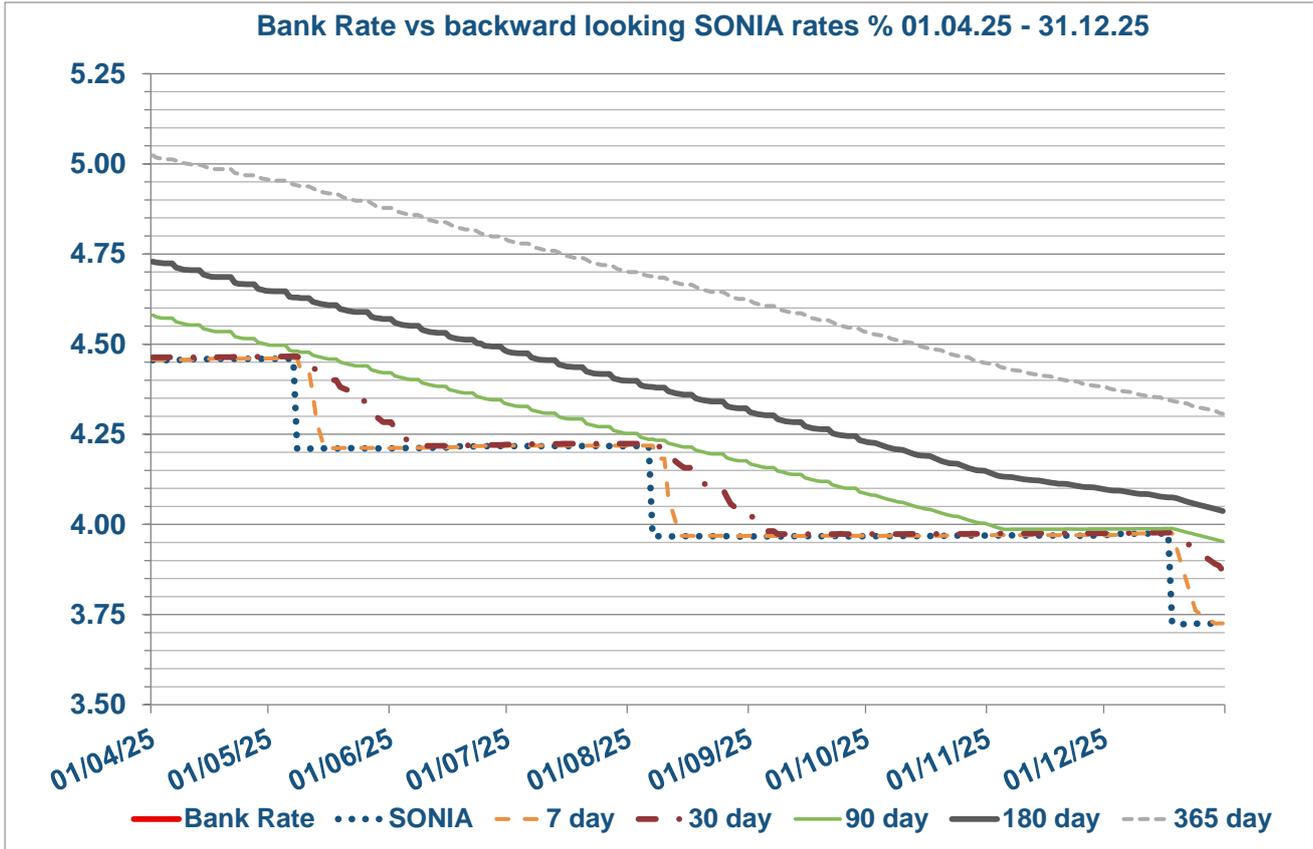
The average level of funds available for investment purposes during the quarter was **£12.218m**. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds **£21.714m** core cash balances for investment purposes (i.e., funds invested for more than one year).

Investment performance 01.04.25 to 31.12.25



FINANCIAL YEAR TO QUARTER ENDED 31.12.25

	SONIA	1 mth	3 mth	6 mth	12 mth
<b>High</b>	4.46	4.47	4.36	4.28	4.17
<b>High Date</b>	07/05/2025	03/04/2025	01/04/2025	02/04/2025	02/04/2025
<b>Low</b>	3.72	3.73	3.71	3.63	3.52
<b>Low Date</b>	22/12/2025	29/12/2025	18/12/2025	18/12/2025	18/12/2025
<b>Average</b>	4.10	4.07	4.01	3.93	3.80
<b>Spread</b>	0.74	0.73	0.65	0.66	0.65



FINANCIAL YEAR TO QUARTER ENDED 31 December 2025

	SONIA	7 day	30 day	90 day	180 day	365 day
High	4.46	4.46	4.47	4.58	4.73	5.02
High Date	07/05/2025	28/04/2025	06/05/2025	01/04/2025	01/04/2025	01/04/2025
Low	3.72	3.73	3.87	3.95	4.04	4.31
Low Date	22/12/2025	29/12/2025	31/12/2025	31/12/2025	31/12/2025	31/12/2025
Average	4.12	4.14	4.17	4.25	4.39	4.69
Spread	0.74	0.74	0.59	0.63	0.69	0.72

As illustrated, the Council outperformed the benchmark of **4.12%** (SONIA) with an average interest rate achieved of **5.08%**. The Council's budgeted investment return for 2025/26 is **£1.418m**. Performance for the year to date is outperforming the budget. As at the end of period 9, total income of £1.289m has been received against a budget of £1.052m (£0.237m favourable variance).

**Fund investments**

- Money Market Funds (MMFs)
- Pooled Funds
- Housing Association Loans

Previously, the Council was required to mitigate the revenue impact of unrealised fair value movements on pooled investment funds through the IFRS 9 statutory override. The override continues to apply to qualifying pooled investment fund investments, meaning unrealised fair value losses are not charged to revenue. However, the override does not remove the need to consider fair value volatility when entering into new long-term investment arrangements. At present, no new long-term

pooled fund investments are proposed as cash balances are maintained primarily to meet day-to-day operational requirements.

#### **Approved limits**

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 31<sup>st</sup> December 2025.

#### **4. Borrowing**

Due to the overall financial position and the underlying need to borrow for capital purposes (the Capital Financing Requirement - CFR), new external borrowing of **£5.000m** was undertaken on the **1<sup>st</sup> of May 2025** from the PWLB at a rate of **4.59%**.

The purpose of this loan was to renew the prior loan of £5.000m from the PWLB which expired on the 28<sup>th</sup> of April 2025.

#### **PWLB maturity Certainty Rates 01.04.25 to 31.12.25**

Overall, the journey for PWLB Certainty rates in 2025/26 has been somewhat circular, with the only net movement of substance over the nine months under review occurring at the shortest part of the curve. Nonetheless, there has been a degree of volatility driven by movements in US Treasuries as well as domestic factors, the most negative of which impacted markets in early September.

Throughout the period under review, markets have reacted to Government fiscal messaging, yields rising when concerns emerged over the ability of the Government to keep net spending under control ahead of the 26 November Budget, and then easing back to rates similar to those at the start of the financial year once markets felt reassured by the steps the Chancellor had taken to manage public spending and to also bolster her fiscal headroom.

Accordingly, 1-year PWLB Certainty rates started the financial year at 4.82% and finished 2025 at 4.37%, whilst the 5-year part of the curve started at 4.94% and finished at 4.78%. Rates never got above 5% throughout the nine months under review.

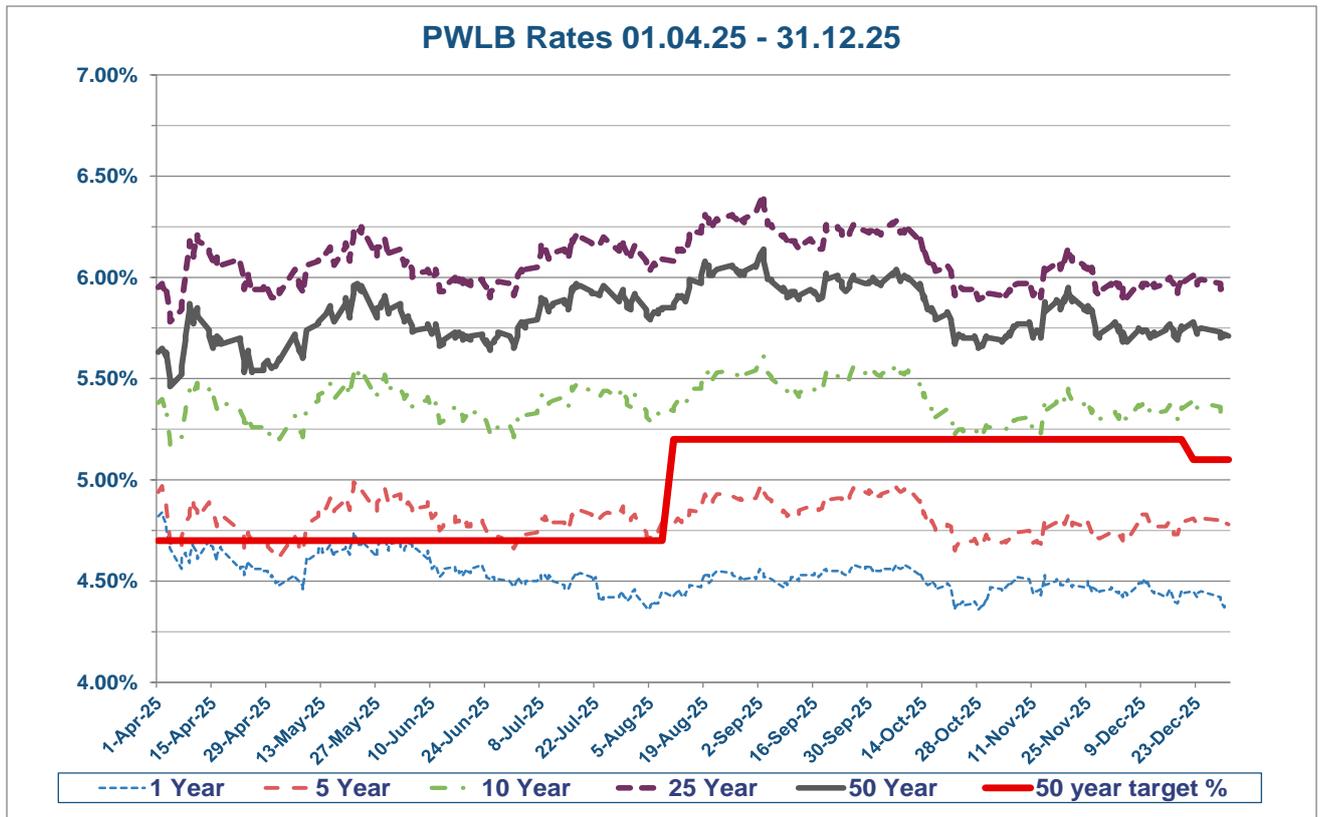
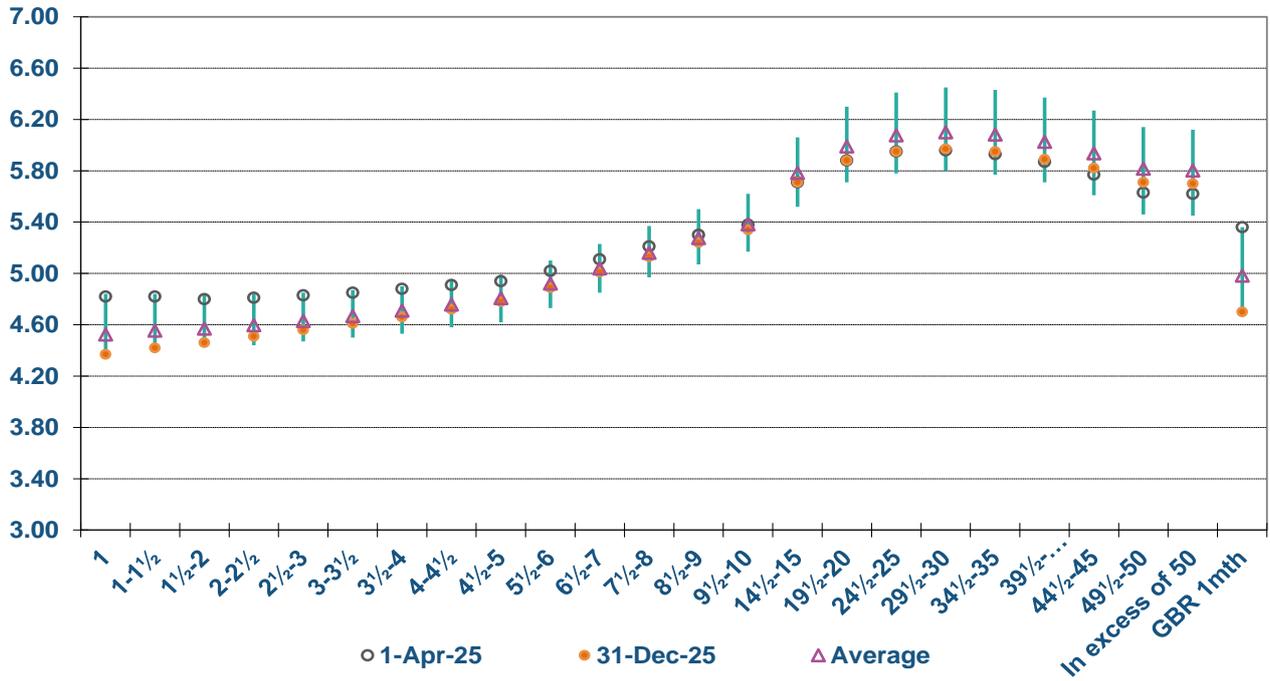
It was a different story for the longer part of the curve, and in recent weeks the Debt Management Office has confirmed that it will seek to issue less gilts in the longer part of the curve and seek to focus on the short to medium part of the curve, where investors are more willing to purchase. That may alter in due course if the CPI measure of inflation falls to 2% by the spring of 2026, having been “sticky” at much higher levels for much of 2025.

10-year PWLB Certainty rates started April at 5.38% and finished 2025 at 5.34%. On 3 September, rates hit a peak of 5.62%.

The story was repeated for the 25- and 50-year parts of the curve. 25-year PWLB Certainty rates started April at 5.95% and finished the year at the same level but touched a peak of 6.41% on 3 September. While the 50-year Certainty rate started at 5.63% in April and finished the year at 5.71%, peaking at 6.14% also on 3 September.

PWLB RATES 01.04.25 - 31.12.25

PWLB Certainty Rate Variations 01.04.25 to 31.12.25



## HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.25 – 31.12.25

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2025	4.82%	4.94%	5.38%	5.95%	5.63%
31/12/2025	4.37%	4.78%	5.34%	5.95%	5.71%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Low date	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
High	4.84%	4.99%	5.62%	6.41%	6.14%
High date	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
Average	4.52%	4.81%	5.38%	6.08%	5.82%
Spread	0.48%	0.37%	0.45%	0.63%	0.68%

### 5. Debt rescheduling

Debt rescheduling opportunities have remained a possibility in the current quarter for those authorities with significant surplus cash and a flat or falling Capital Financing Requirement in future years. Members will be advised if there is value to be had by rescheduling or repaying a part of the debt portfolio. Currently during 2025/26, no debt reschedule action has been made.

### 6. Compliance with Treasury and Prudential Limits

The prudential and treasury Indicators are shown in Appendix 1.

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the quarter ended 31<sup>st</sup> of December 2025, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2025/26. No difficulties are envisaged for the current or future years in complying with these indicators.

All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices.

### 7. Other

#### Changes in risk appetite

The 2021 CIPFA Codes and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite e.g., for moving surplus cash into or out of certain types of investment funds or other types of investment instruments, this change in risk appetite and policy should be brought to members' attention in treasury management update reports.

#### Sovereign limits

If you have specified a minimum sovereign rating of AA- for all your approved counterparties, you may wish to amend this to exclude the UK from this requirement given it currently sits at this rating level. If you wish to incorporate a sovereign limit, we suggest a policy of lending to UK banks and building societies plus banks in other countries with sovereign ratings of a minimum of AA-.

#### Sources of borrowing

You may want to consider adding any potential new sources of borrowing to your list of approved sources of borrowing e.g., National Wealth Fund (previously the UK Infrastructure Bank).

#### Recommendations

##### The Committee is asked to recommend the following to Full Council:

- Note the report, the treasury activity and recommend approval of any changes to the prudential indicators (no changes as part of this report).

**APPENDIX 1: Prudential and Treasury Indicators for 2025-26 as of 31<sup>st</sup> December 2025**

<b>Treasury Indicators</b>	<b>2025/26 Budget £m</b>	<b>31.12.25 Actual £m</b>
<b>Authorised limit for external debt</b>	40.000	40.000
<b>Operational boundary for external debt</b>	30.000	30.000
<b>Gross external debt</b>	5.000	5.000
<b>Investments</b>	29.463	36.330
<b>Net borrowing</b>	(24.463)	(31.330)
<b>Maturity structure of fixed rate borrowing</b>	<b>Limits</b>	<b>Actual %</b>
<b>Under 12 months</b>	0 - 100%	0%
<b>12 months to 50 years</b>	0 – 100%	100%

<b>Prudential Indicators</b>	<b>2025/26 Revised Budget £m</b>	<b>31.12.25 Actual £m</b>
<b>Capital expenditure</b>	38.328	8.342
<b>Of which expected borrowing</b>	5.861	0.517
<b>Expected change in CFR (including MRP and VRP deductions)</b>	5.277	0.465
<b>Capital Financing Requirement (CFR)</b>	22.821	18.009
<b>Ratio of financing costs to net revenue stream *</b>	2.75%	0.36%

## APPENDIX 2: Investment Portfolio

Investments held as of 31<sup>st</sup> December 2025 compared to our counterparty list:

### North Norfolk District Council

#### Current Investment List

Borrower	Principal (£)	Interest Rate	Start Date	Maturity Date	Lowest LT / Fund Rating	Historic Risk of Default	Expected Credit Loss (£)
MMF Aberdeen Standard Investments	3,200,000	3.99%			MMF	AAAm	
MMF BlackRock	2,127,282	3.94%			MMF	AAAm	
MMF Deutsche	1,400,000	3.98%			MMF	AAAm	
MMF Federated Investors (UK)	3,200,000	4.00%			MMF	AAAm	
MMF Invesco	3,200,000	3.96%			MMF	AAAm	
Borrower - Funds							
	Principal (£)	Interest Rate	Start Date	Maturity Date			
CCLA - LAMIT (Local Authorities Mutual Investment Trust)	5,000,000	7.40%	31/03/2013				
M&G Securities - UK Income Distribution Fund (Extra Income Fund)	2,000,000	21.42%	24/02/2017				
Ninety One - Diversified Income Fund (Multi Asset)	3,000,000	7.49%	01/03/2017				
Schroder - Income Maximiser Fund (Equity)	2,000,000	24.12%	27/02/2017				
Threadneedle - Strategic Bond Fund	3,000,000	5.88%	15/03/2017				
M&G Securities - Strategic Corporate Bond Fund	2,000,000	7.01%	10/08/2017				
Aegon Asset Management - Diversified Income Fund	3,000,000	13.07%	30/11/2018				
<b>Total Investments</b>	<b>£33,127,282</b>	<b>8.26%</b>					
<b>Total Investments - excluding Funds</b>	<b>£13,127,282</b>	<b>3.98%</b>					
<b>Total Investments - Funds Only</b>	<b>£20,000,000</b>	<b>11.07%</b>					

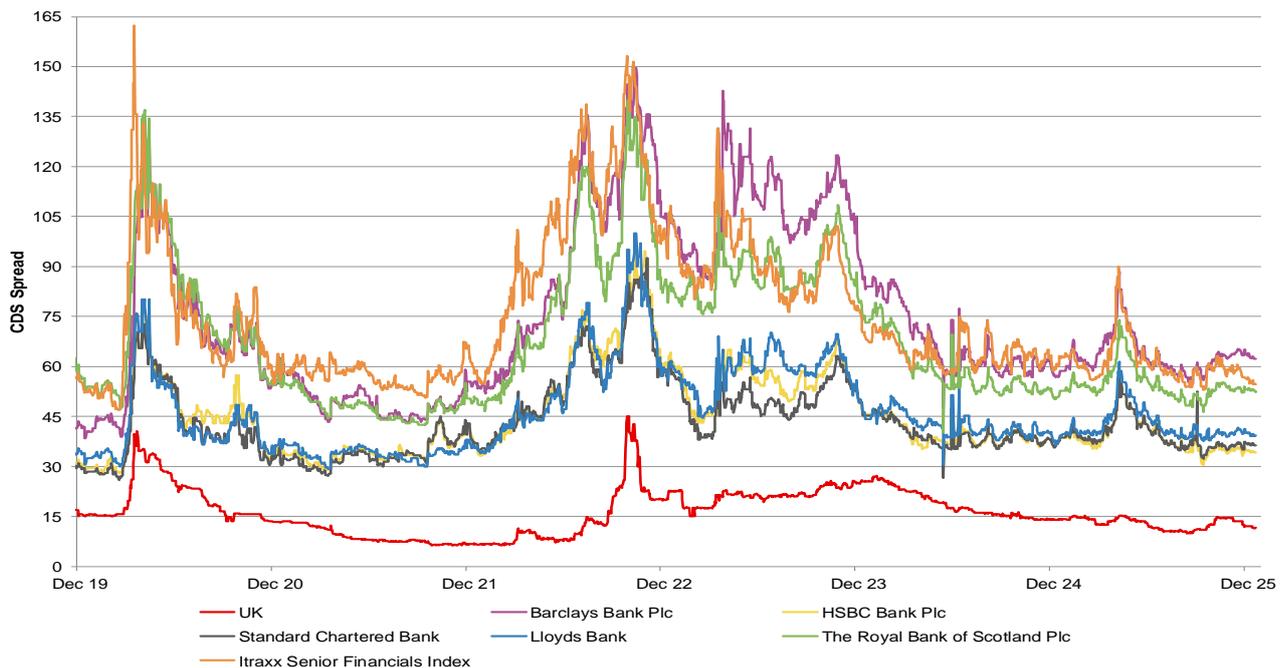
Note: An historic risk of default is only provided if a counterparty has a counterparty credit rating and is not provided for an MMF or USDBF, for which the rating agencies provide a fund rating. The portfolio's historic risk of default therefore measures the historic risk of default attached only to those investments for which a counterparty has a counterparty credit rating and also does not include investments which are not rated.

The Historic Risk of Default column is based on the lowest long term rating. If clients are using this % for their Expected Credit Loss calculation under IFRS 9, please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil. Please note that we are currently using Historic Default Rates from 1990-2024 for Fitch, 1983-2024 for Moody's and 1981-2024 for S&P.

Where MUFG Corporate Markets have provided a return for a property fund, that return covers the 12 months to September 2025, which are the latest returns currently available.

### UK Banks 5 Year Senior Debt CDS Spreads as of 31<sup>st</sup> December 2025

This is an optional graph which shows the assessment of creditworthiness risk of key banks. The cost of insuring against default is shown in basis points down the left- hand axis. Credit risk has reduced markedly in recent weeks. The cost of insuring against the prospect of default is still low in historic terms. (The chart below shows the cost in basis points of ensuring against the prospect of default on 5 year "paper" issued by major UK banks v the ITRAXX Senior Financials Index.)



### **APPENDIX 3: Approved countries for investments as of 31<sup>st</sup> December 2025**

***Based on lowest available rating:***

#### **AAA**

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

#### **AA+**

- Canada
- U.S.A.

#### **AA**

- Abu Dhabi (UAE)
- Finland
- Qatar

#### **AA-**

- U.K.

#### **A+**

- Belgium
- France

## Overview Summary of Projects

To be used as reference for Corporate Project Delivery Team update.

### Live project stages

Projects are classed into 3 sizes based on various factors, including budget, complexity and risk. We monitor high level stages of progress for each size. In-progress projects are broken down into further sub-stages.

#### Stages;

1. Proposed
2. In-progress – Mobilisation
3. In-progress – Planning
4. In-progress – Delivery
5. Closedown

Not Started – Proposal Accepted but not yet In-progress

Cancelled – No longer happening, pre or post proposal

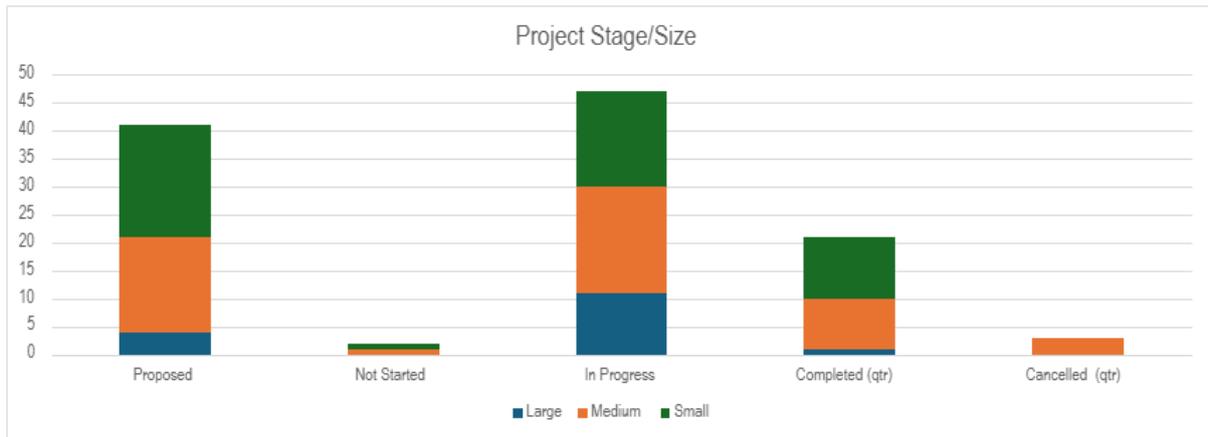
#### Project Sizes/Stage Counts (Feb 2026) - fig.1.1

This shows the breakdown of all project stages by size at the beginning of February 2026.

	Large	Medium	Small	Total
<b>Proposed</b>	4	17	20	<b>41</b>
<b>Not Started</b>	0	1	1	<b>2</b>
<b>In Progress</b>	11	19	17	<b>47</b>
<b>Completed</b>	1	9	11	<b>21</b>
<b>Cancelled</b>	0	3	0	<b>3</b>

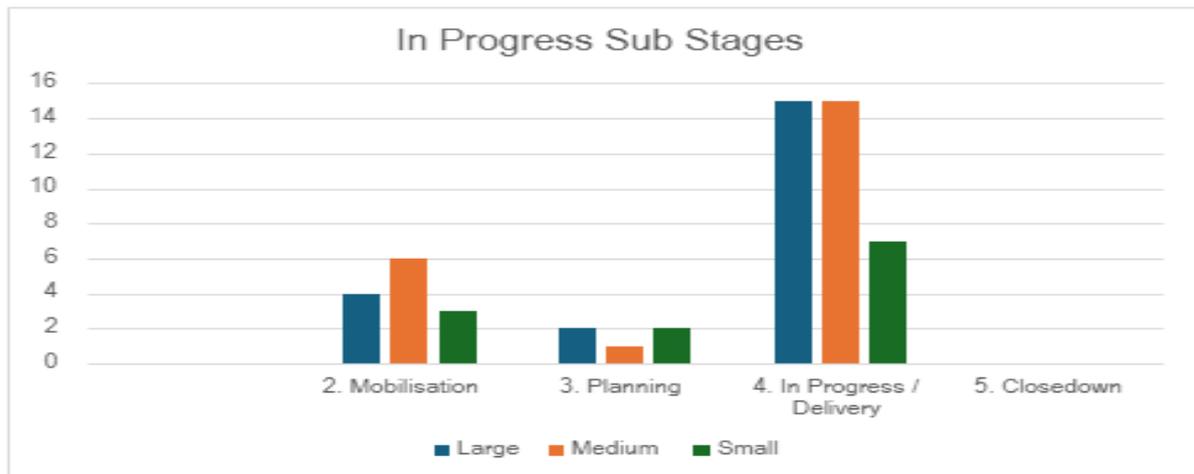
### Projects per high level stage – fig.1.2

This diagram visualises all projects per high level category.



### In-progress broken down by sub-stage – fig.1.3

This diagram shows all 'In-progress' projects broken down into sub-stages.



## RAGs

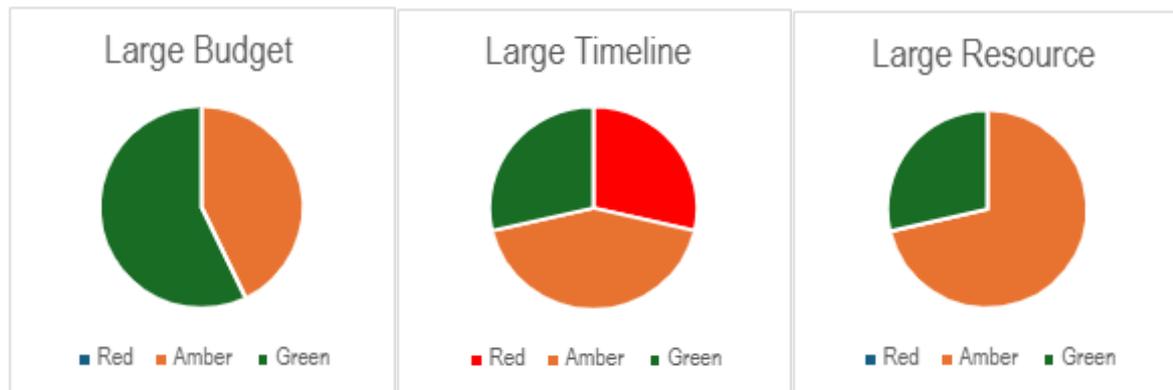
Highlight reports for all medium and large, 'In-progress' projects are requested on a monthly basis. This reports provides us with information on how the project is progressing, records actions planed and achieved against project milestones, raises any risks and includes a RAG (red, amber, green) categorisation for budget, timeline and resource.

**RAG/Size Counts (In-progress projects) - fig.2.1**

	Large	Medium
Budget - Red	0	0
Timeline - Red	2	0
Resource - Red	0	0
Budget - Amber	3	2
Timeline - Amber	3	4
Resource - Amber	5	2
Budget - Green	4	5
Timeline - Green	2	3
Resource - Green	2	5

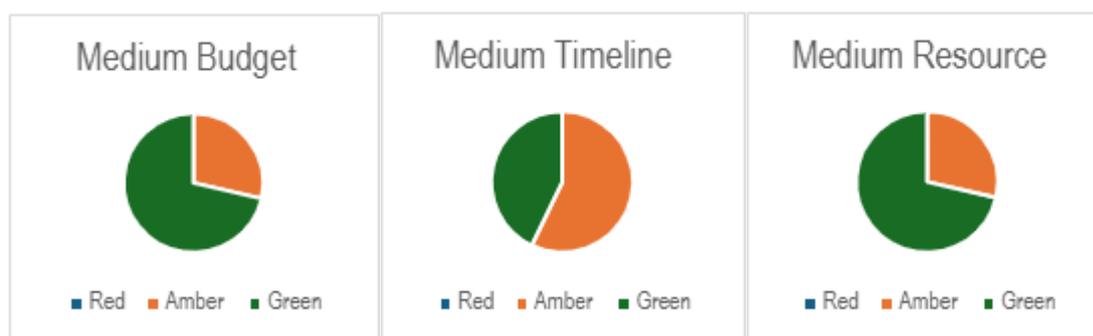
## Large Projects

**RAGs by type for Large Projects. Fig.2.2**



## Medium Projects

RAGs by type for Medium Projects. Fig.2.3



Large Projects Overview (In-progress) - Fig.3

Below is a high-level overview of all large, in-progress projects. Note that the Watch House is in the early stages of mobilisation and so does not have RAGs yet.

Project Name	Service Area	Stage	Sub-Stage	Budget RAG	Timeline RAG	Resource RAG
Cromer & Mundesley Coast Protection Scheme (Phase 2)	Sustainable Growth/Coastal	In Progress	4. In Progress / Delivery	Amber	Green	Green
Coastwise	Sustainable Growth / Coastal	In Progress	4. In Progress / Delivery	Amber	Amber	Amber
Domestic Food Waste Mobilisation (inclusive of Depot readiness)	Environment & Leisure	In Progress	3. Planning	Amber	Red	Amber
UK Shared Prosperity Fund & Rural England Prosperity Fund	Economic Growth	In Progress	4. In Progress / Delivery	Green	Green	Green
Fakenham leisure centre - FLASH	Communities	In Progress	4. In Progress / Delivery	Green	Green	Green
Cromer Pier	Assets/Property Services	In Progress	4. In Progress / Delivery	Amber	Amber	Amber
Rocket House - Refurbishment	Property Services	In Progress	2. Mobilisation	Green	Amber	Amber
Overstrand Coast Protection Scheme	Sustainable Growth / Coastal	In Progress	4. In Progress / Delivery	Green	Green	Green
Decarbonisation - Fakenham Sports Centre	Climate & Environment	In Progress	4. In Progress / Delivery	Green	Green	Green
Watch House - Cliff Stabilisation	Coastal	In Progress	2. Mobilisation	N/A	N/A	N/A
North Lodge Park - Car Park	Property Services	In Progress	3. Planning	Green	Red	Amber



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# Agenda Item 14

## Exemptions granted from 13 November 2025 to 06 March 2026

Date	Contractor	Type of Work	Amount (rounded to nearest pound)	Exemption (Chapter 9, Paragraph 9, Constitution)
18/12/25	UKIS Group	Urgent, high-priority substructure repair and reinforcement works to Cromer Pier, identified through a detailed structural survey	£250,000	(g) are for the supply of goods or services where there is only one supplier and no acceptable alternative;
04/02/26	Thomson Reuters	Legal online research library – Practical Law, Westlaw Edge with CoCounsel, Encyclopaedias	£31,499	(g) are for the supply of goods or services where there is only one supplier and no acceptable alternative;
09/12/25	Civica (Tungsten)	Use of Kofax software which is an embedded piece of software within Civica Financials for invoice processing	£17,717	(c) are of a proprietary type only available from a single supplier;

### Notes

- The previous period reported to GRAC was for the period 23 August 2025 to 13 November 2025
- In that period two exemptions were reported to the Committee.
- The next reporting period to GRAC will follow on from the last reporting period.

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## GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL WORK PROGRAMME 2025/2026

Topic	Lead Officer	Comments	Cycle
<b>June 2026</b>			
External Audit Plan (Letter) 2025/2026	External Audit		Annual
Internal Audit Progress & Follow-up Report	Internal Audit – Teresa Sharman	To review progress on internal audit recommendations	Quarterly
Annual Report/Opinion & Review of the Effectiveness of Internal Audit	Internal Audit	<b>TBC: May slip to Sept</b>	Annual
Corporate Risk Register	Director for Resources	To review the corporate risk register	Quarterly
Treasury Management Half-Yearly report Code of Practice / Outturn Report (2 items)	AD for Resources	To review and recommend to Full Council	Annual
Project Management Update	Director for Resources	Update on the work of the Project Management Team.	Quarterly
Procurement Exemptions Register	Monitoring Officer	To review Procurement Exemptions	Quarterly
Review of Council's Asset Register	Director for Resources	To review the number and value of Council assets. <b>May not need</b>	At request of Chair
<b>July 2026</b>			
Annual Accounts sign-off	External Audit	<i>Likely to take place later in the year.</i>	
<b>September 2026</b>			
External Audit Results report 2024/2025	External Audit	<i>May slip to December</i>	Annual
Internal Audit Progress & Follow up report	Internal Audit	To review progress on internal audit recommendations	Quarterly
Draft Financial Statements 2025/2026	AD for Resources	To consider the draft financial statements for 2025/2026	Annual
Annual Governance Statement 2025/2026 and Local Code of Corporate Governance	Director for Resources	To consider, and approve, the Council's AGS for 2025/2026 and Local Code of Corporate Governance	Annual
GRAC Annual report	Committee Officer	To review the Committee's work over the previous year (tbc if Committee want to continue with this)	Annual
Monitoring Officer's Annual Report	Monitoring Officer	To review the MO Annual report	Annual
Corporate Risk Register	Director for Resources	To review the register	Quarterly
Project Management Update	Director for Resources	Update on the work of the Project	Quarterly

**GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL WORK PROGRAMME 2025/2026**

		Management Team.	
Procurement Exemptions Register	Monitoring Officer	To receive the procurement exemption's register	Quarterly