

Governance, Risk and Audit Committee



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2nd September 2019

A meeting of the **Governance, Risk and Audit Committee** of North Norfolk District Council will be held in the **Council Offices, Holt Road, Cromer, NR27 9EN** on **Tuesday, 10 September 2019** at **2.00 pm**.

At the discretion of the Chairman, a short break will be taken after the meeting has been running for approximately one and a half hours

Members of the public who wish to ask a question or speak on an agenda item are requested to notify the committee clerk 24 hours in advance of the meeting and arrive at least 15 minutes before the start of the meeting. This is to allow time for the Committee Chair to rearrange the order of items on the agenda for the convenience of members of the public. Further information on the procedure for public speaking can be obtained from Democratic Services, Tel: 01263 516047, Email: matthew.stembrowicz@north-norfolk.gov.uk.

Anyone attending this meeting may take photographs, film or audio-record the proceedings and report on the meeting. Anyone wishing to do so must inform the Chairman. If you are a member of the public and you wish to speak on an item on the agenda, please be aware that you may be filmed or photographed.

Please note that Committee members will be given priority to speak during the debate of agenda items

Emma Denny
Democratic Services Manager

To: Mr J Rest, Mr S Penfold, Mr T Adams, Mr C Cushing, Mrs J Stenton and Mr J Toye

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

Corporate Directors: Nick Baker and Steve Blatch
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A G E N D A

1. TO RECEIVE APOLOGIES FOR ABSENCE

2. PUBLIC QUESTIONS

To receive public questions, if any.

3. 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.

4. DECLARATIONS OF INTEREST

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.

5. MINUTES

1 - 6

To approve as a correct record, the minutes of the meeting of the Governance, Risk & Audit Committee held on 23rd July 2019.

6. PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY: 1 APRIL 2019 TO 29 AUGUST 2019

7 - 18

Summary: This report examines the progress made between 1 april 2019 to 29 august 2019 in relation to delivery of the annual internal audit plan for 2019/20.

Conclusions: Progress in relation to delivery of the internal audit plan is line with expectations; and positive assurance has been awarded in the audit reviews finalised in this period.

Recommendations: It is recommended that the Committee notes the outcomes of the assurance audit completed between 1 April 2019 to 29 August 2019.

Cabinet member(s):
All

Ward(s) affected:
All

Contact Officer, telephone
number, and e-mail:

Faye Haywood, Internal Audit
Manager for North Norfolk DC
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norfolk.gov.uk](mailto:fhaywood@s-norfolk.gov.uk)

7. CORPORATE RISK REGISTER

19 - 38

Summary: The Corporate Risk Register (CRR) monitors and tracks the Council's most significant risks. This Report provides Members with an update in relation to the Corporate Risk Register.

Conclusions: The changes made to the register will help to improve the monitoring and ownership of the corporate risk register and the actions contained therein.

Recommendations: Members are asked to note CRR.

Cabinet Member(s)	Ward(s) affected
All	All

Contact Officer, telephone number and email:
Duncan Ellis, 01263 516330, Duncan.ellis@north-norfolk.gov.uk

8. ANNUAL ACCOUNTS UPDATE

Verbal update to be provided on the current status of the Annual Accounts sign-off.

9. GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST 39 - 40

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

10. GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME 41 - 42

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

11. 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 part 1 of schedule 12A (as amended) to the Act."

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GOVERNANCE, RISK AND AUDIT COMMITTEE

Minutes of the meeting of the Governance, Risk and Audit Committee held on Tuesday, 23 July 2019 at the Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN at 2.00 pm

Committee

Members Present:

Mr J Rest (Chairman)	Mr S Penfold (Vice-Chairman)
Mr T Adams	Mr C Cushing
Mrs J Stenton	Mr J Toye

Members also attending:

Officers in Attendance:

Democratic Services and Governance Officer (Scrutiny), Associate Partner - Ernst Young and Chief Technical Accountant

1 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from The Internal Audit Manager (FH), The Head of Finance and Asset Management, and the Monitoring Officer.

2 PUBLIC QUESTIONS

None received.

3 ITEMS OF URGENT BUSINESS

None received.

4 DECLARATIONS OF INTEREST

None declared.

5 MINUTES

Minutes of the meeting held on 11th June 2019 were approved as a correct record and signed by the Chairman.

6 FINAL STATEMENT OF ACCOUNTS - UPDATE

The Chief Technical Accountant introduced the update and apologised that there were no audited accounts to be reviewed by the Committee at its July meeting as expected. It was explained that there were a number of reasons for this, and that at present no auditors were on site as work had been prioritised elsewhere. Members were informed that the accounts sign-off was now expected to take place at the September meeting.

Questions and Discussion

The External Auditor (MH) stated that the key reason for the delay in completing the audit of NNDC accounts was a difference of opinion between EY and the Council on how investments were treated. He added that the Council had sought a legal opinion on the matter and were awaiting a response. The External Auditor (MH) then confirmed that it was no secret that EY had suffered resourcing issues that had delayed audits elsewhere. As a result, Members were informed that EY auditors had been redirected to other authorities to allow time for an agreement to be reached on the accounting practices first. He added that there was no apportionment of blame regarding the disagreement, but stated that it had to be resolved before the accounts could be signed-off. The Chairman accepted that EY and the Council had a difference of opinion on accounting practices with regards to investments, and asked whether a compromise could be reached. The External Auditor (MH) replied that unfortunately there was no middle ground with regards to the accounting treatment of investments, and either the Council or EY would eventually have to accept the findings. The Chief Technical Accountant stated that both the Council and EY had been aware of the issue for over a year and had been working on a preliminary agreement, but had not been successful. She added that Councils that had sought a legal opinion on the issue had been supported by their findings, and as a result, it had been recommended that the Council did not change its accounts unless a decision was made otherwise. Members were informed that support was also being sought from CIPFA, and that if they backed Council's opinion, audit firms could be expected to alter their opinion.

Cllr S Penfold asked for clarification of the reasons for the delay in signing off the accounts. The External Auditor (MH) replied that the accounting issue was the cause of the delay in signing off the accounts, and as a result, the decision had been made ten days prior to the meeting to divert resources elsewhere to authorities where there had not been a similar disagreement. Cllr S Penfold asked whether EY would be open to the possibility that they could be wrong. The External Auditor (MH) confirmed that it was possible that the legal opinion could change their position. He added that whereas the legal opinion might look at the nature of the investment, auditors approached the situation from an accounting perspective only. The Chief Technical Accountant stated that having to seek a legal opinion suggested that there was a legal aspect to the disagreement.

Cllr J Stenton asked whether there was a legal requirement to publish the accounts, to which the External Auditor (MH) replied that the Council would have to publish its accounts by July 31st, with or without an audit opinion. He added that if they were published without an opinion, a reason would have to be given for this, and a statement had been prepared. The Chairman asked whether this would have any impact on investors opinions, to which the External Auditor (MH) replied that the deadline was arbitrary, and that there would be no knock-on impact.

Cllr C Cushing stated that it was his understanding that the legal advice would not be definitive, and asked whether EY would adopt the advice. The External Auditor (MH) stated that EY would take the legal advice into account, but could not guarantee that it would change their position. It was confirmed that other audit firms had taken the same position on the issue as EY. The Chief Technical Accountant stated that this was another reason that the Council had also sought the opinion of CIPFA. She added that it was unlikely that the accounting difference would damage the overall opinion of the accounts, and that she stood by the decision to seek both a legal opinion and the opinion of CIPFA.

Cllr J Toye asked whether both accounting practices would provide a true picture of the Council's accounts, to which the Chief Technical Accountant replied that EY believed that the current treatment was not a fair view. The External Auditor (MH) stated that EY's opinion was that the current practice fell afoul of international accounting standards, but admitted that big companies were different from local authorities.

Cllr N Pearce stated that he was not happy about the issue, and disliked the pressure from EY for the Council to change its practices. He added that he got the impression that priority was being given to the commercial sector, and that he could foresee unfortunate repercussions from the current situation. The External Auditor (MH) replied that EY had been paid a fee to provide its opinion to the Council, and that whilst there was a difference of opinion, it was being resolved professionally.

The Chief Technical Accountant reminded Members that there was no accounts to approve at this stage, and that she expected that the sign-off would take place at the September meeting to avoid the use of delegated authority. Cllr J Toye asked whether the Council had internally audited its accounts, to which the Chief Technical Accountant replied that the Council had the same draft statement of accounts that had been brought to the last meeting, without the auditors opinion. Concerns were raised that next year's accounts could be delayed even further, as a result of a knock-on effect of the delays.

RESOLVED

To note the update.

7 CORPORATE RISK REGISTER

The Chief Technical Accountant introduced the Report and informed Members that the Corporate Risk Register would now be reviewed quarterly in order for the Committee to take on the responsibilities of the Risk Management Board.

Questions and Discussion

The Chief Technical Accountant stated that the MTFP risk score had been reduced, as Central Government had failed to announce a three year spending review. A one year review would likely be undertaken instead, with an expected 2% inflationary increase. This had the potential for the Council's projected £2m deficit to be pushed back a year, allowing more-time to resolve the deficit.

A question was raised on mandatory business rates reliefs for NHS trusts, and it was confirmed that the Local Government opinion was that the trusts were not charities, and would therefore not be entitled to reliefs or returns. The Chief Technical Accountant added that NNDC was part of the business rates pool for Norfolk, meaning that if courts were to decide in favour of the NHS trusts, the Council would be liable for its share of the costs. It was stated that there were reserves of £2.5m set aside for that eventuality, but any shortfall would come from the general reserve. It was also expected that the Central Government should provide relief if the courts were to side with the NHS. The Chairman asked for clarification of the potential amount payable, to which the Chief Technical Accountant replied that nationally, the figure was approximately £1.5 billion, if backdated to 2010. It was suggested that any relief from Central Government would also take into account backdating, however, if the NHS were to win its case, the business rates pool may become less attractive to NNDC, as there were no large hospitals within the district. In response to a question from

Cllr J Toye, it was confirmed that the decision could be appealed in court and this could allow Councils more time to prepare for any shortfalls by increasing their businesses rates reserves.

On coastal erosion, Members were informed that the landscaping scheme had progressed well, and was reducing the risk posed by further coastal erosion.

On the IT outage that took place on the 11th and 12th June, Members were informed that a review and impact assessment was underway, but had not been prepared in time for the meeting. The Chairman added that to his knowledge, the IT issues had been caused by salt particles in the air used to cool the Council's servers. He added that the issue would be added to the CRR.

On corporate projects, the Chief Technical Accountant informed Members that each project had its own risk register, but high risk issues would be added to the CRR.

RESOLVED

To note the Corporate Risk Register.

8 INDEPENDENT REVIEW OF LOCAL AUTHORITY FINANCIAL REPORTING AND EXTERNAL AUDIT

The Chief Technical Accountant introduced the Report and informed Members that Central Government had launched a review to check that external auditors were meeting their obligations, and it had been brought to the Committee for Members to be made aware that it was taking place.

Questions and Discussion

It was suggested that the central procurement that had been used to realise savings may have led to resourcing issues with external auditors. This suggested that savings had been made at the expense of the quality and timing of audits. It was suggested that the review was a good opportunity for local authorities to highlight their issues with external auditors to Central Government.

In response to a question from the Chairman, it was confirmed that a draft response was expected by December, and that the completion date of the review was set for April 2020. The Chairman informed Members that comments could be sent to the Chief Technical Accountant via email by October, to be ready to send by December.

RESOLVED

To note the Report.

9 GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST

The Democratic Services and Governance Officer (Scrutiny) informed Members that all items on the action list were complete.

As a result of the Risk Management Board work being taken on by the Committee, the Chairman informed Members that the Committee would soon begin to review the risks of projects prior to their implementation.

In response to a question from Members, it was confirmed that the Committee was

fully independent and could make recommendations to Cabinet, Council or the Overview and Scrutiny Committee.

RESOLVED

To note the update.

10 GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME

The Democratic Services and Governance Officer (Scrutiny) informed Members that he would update the annual Work Programme to reflect the additional work of the RMB, and account for the final statement of accounts coming to the September meeting.

RESOLVED

To note the Work Programme.

11 EXCLUSION OF THE PRESS AND PUBLIC

None.

The meeting ended at 3.04 pm.

Chairman

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PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY: 1 APRIL 2019 TO 29 AUGUST 2019

Summary: This report examines the progress made between 1 April 2019 to 29 August 2019 in relation to delivery of the Annual Internal Audit Plan for 2019/20.

Conclusions: Progress in relation to delivery of the internal audit plan is line with expectations; and positive assurance has been awarded in the audit reviews finalised in this period.

Recommendations: It is recommended that the Committee notes the outcomes of the assurance audit completed between 1 April 2019 to 29 August 2019.

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

Contact Officer, telephone number, and e-mail: Faye Haywood, Internal Audit Manager for North Norfolk DC
01508 533873, fhaywood@s-norfolk.gov.uk

1. Background

1.1 This report reflects progress made regarding assignments featuring in the approved Annual Internal Audit Plan for 2019/20 which was endorsed by the Audit Committee on 26 March 2019.

2. Overall Position

2.1 The overall position in relation to the completion of the Internal Audit Plan is within the attached report.

3. Conclusion

3.1 The completion of the Internal Audit Plan is line with expectations; and positive assurances have been awarded in the audit review finalised in this period.

4. Recommendation

4.1 It is recommended that the Committee note the outcomes of the assurance audit completed between 1 April 2019 to 29 August 2019.

Appendices attached to this report:

Progress Report on Internal Audit Activity

Eastern Internal Audit Services



North Norfolk District Council

Progress Report on Internal Audit Activity

Period Covered: 1 April to 29 August 2019

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

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1. INTRODUCTION

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

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 At the meeting on 26 March 2019 the Annual Internal Audit Plan for the year was approved, identifying the specific audits to be delivered. Since the last Committee meeting no significant changes have been made to the internal audit plan.

3. PROGRESS MADE IN DELIVERING THE AGREED AUDIT WORK

- 3.1 The current position in completing audits to date within the financial year is shown in **Appendix 1** and progress to date is in line with expectations.
- 3.2 In summary 26 days of programmed work has been completed, equating to 14% of the Internal Audit Plan for 2019/20.

4. THE OUTCOMES ARISING FROM OUR WORK

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

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

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

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

No Assurance: Based upon the issues identified there is a fundamental breakdown or absence of core internal controls such that the organisation cannot

rely upon them to manage risk to the continuous and effective achievement of the objectives of the process. Immediate action is required to improve the controls required to mitigate these risks.

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

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

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

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

4.3 In addition, on completion of audit work “Operational Effectiveness Matters” are proposed, and these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not included in the follow up process.

4.4 During the period covered by the report one Internal Audit report has been issued.

Audit	Assurance	P1	P2	P3
Car Parking	Reasonable	0	3	3

The Executive Summary of this report is attached at **Appendix 2**, a full copy can be requested by Members.

4.5 As can be seen in the table above as a result of this audit 6 recommendations have been raised and agreed by management.

4.7 It is pleasing to note that this audit concluded in a positive opinion being awarded, indicating a strong and stable control environment to date, with no issues that would need to be considered at year end and included in the Annual Governance Statement.

4.8 In addition a to the assurance work carried out above, a position statement was completed in relation to project management. A number of suggested improvements were raised which have been accepted by management. Details of these improvements are included within the Executive Summary at **Appendix 2** of this report.

5. PERFORMANCE MEASURES

5.1 The Internal Audit Services contract includes a suite of key performance measures against which the contractor will be reviewed on a quarterly basis. There is a total of 11 indicators, over 4 areas.

5.2 There are individual requirements for performance in relation to each measure; however, performance will be assessed on an overall basis as follows:

- 9-11 KPIs have met target = Green Status.

- 5-8 KPIs have met target = Amber Status.
- 4 or below have met target = Red Status.

Where performance is red or amber, a Performance Improvement Plan will be developed by the contractor and agreed with the Internal Audit Manager to ensure that appropriate action is taken.

- 5.3 Q1 of the 2019/20 internal audit plan has now been completed and a report on performance provided to the Internal Audit Manager, performance is currently at green status with targets having been satisfactorily met.
- 5.4 In addition to these quarterly reports from the Contractors Audit Director, ongoing weekly updates are provided to ensure that delivery of the audit plan for the current financial year is on track. No concerns have been raised.

APPENDIX 1 – PROGRESS IN COMPLETING THE AGREED AUDIT WORK

Audit Area	Audit Ref	No. of days	Revised Days	Days Delivered	Status	Assurance Level	Recommendations				Date to Committee
							Urgent	Important	Needs Attention	Op	
Quarter 1											
Car Parking	NN2008	10	10	10	Final report issued 8 July 2019	Reasonable	0	3	3	0	Sep-19
Project Mangement	NN2001	6	6	6	Final position statement issued 15 August 2019						Sep-19
TOTAL		16	16	16							
Quarter 2											
Coastal Management	NN2002	10	10	5	Audit started: 21 August 2019 Draft report due: 24 September 2019.						
Section 106 Agreements	NN2004	10	10	5	Audit started 9 July 2019. Report due 5 September 2019.						
TOTAL		30	30	10							
Quarter 3											
Accountancy Services	NN2005	16	16	0							
Accounts Recievable	NN2006	10	10	0							
Income	NN2007	7	7	0							
Planning Application and Development Management	NN2009	10	10	0							
TOTAL		43	43	0							
Quarter 4											
Leisure	NN2003	10	10	0							
Risk Management	NN2010	6	6	0							
Key Controls and Assurance	NN2011	15	15	0							
Procurement	NN2012	10	10	0							
Property Services	NN2013	12	12	0							
Affordable Housing and Housing Enabling	NN2014	10	10	0							
TOTAL		63	63	0							
IT Audits											
Business Continuity	NN2015	10	10	0							
Cyber Security	NN2016	10	10	0							
IT Audit Area - Yet to be determined	NN2017	10	10	0							
TOTAL		20	20	0							
Follow Up											
Follow Up	NA	10	10	0							
TOTAL		10	10	0							
TOTAL		182	182	26			0	3	3	0	
Percentage of plan completed				14%							

Assurance Review of the Car Parking Arrangements

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Cash collection	0	2	1	0
Season tickets	0	1	1	0
Shared service arrangements	0	0	1	0
Total	0	3	3	0

No recommendations were raised in relation to enforcement.

SCOPE

This area is periodically reviewed to provide assurance that income is being effectively managed and that the Council is managing the enforcement agreement with the Borough Council of King's Lynn and West Norfolk (BCKLWN) effectively.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'important' and three 'needs attention' recommendations being raised upon the conclusion of our work.
- The previous audit of Car Parking (NN/18/11) also concluded in a 'Reasonable' assurance opinion, indicating that there is no change in the level of control. The number of recommendations has also remained the same, albeit different control issues have arisen.

POSITIVE FINDINGS

It is acknowledged there are areas where sound controls are in place and operating consistently:

- A Service Level Agreement is in place between NNDC and BCKLWN which clearly sets out the responsibilities of each party, to ensure that all necessary tasks are completed.
- Income for each day as recorded by the car park ticket machines is reconciled to amounts collected, to ensure that the Council is receiving the correct amount from BCKLWN.
- Season tickets are only issued on receipt of the correct payment, to ensure that all season ticket income is received.

ISSUES TO BE ADDRESSED

The audit has highlighted the following areas where three 'important' recommendations have been made.

Cash collection

- Differences in monthly income reports for mobile app payments compared with actual income be queried with BCKLWN to ensure that the correct amount has been received.
- Contractual arrangements for emergency repairs be reviewed and followed, to prevent the Council paying for repairs that are covered by the contract.

Season tickets

- Regular stock takes for season tickets be carried out, to reduce the risk of stock going missing.

The audit has also highlighted the following areas where three 'needs attention' recommendations have been made.

Cash collection

- The Council requests the source data for mobile app payments be provided on a monthly basis, to reduce the risk of incorrect amounts being received.

Season tickets

- Monthly season ticket reconciliations be signed and dated by both officers, to reduce the risk of a single officer being responsible for the whole process.

Shared service arrangements

- The frequency of contract meetings be reviewed, to ensure that it remains appropriate for the contract.

Operational Effectiveness Matters

No Operational Effectiveness Matters have been raised.

Previous audit recommendations

The previous audit of Car Parking (NN/18/11) concluded in a 'Reasonable' assurance opinion, having raised three 'important' and two 'needs attention' recommendations. Two of these recommendations, relating to obtaining information from BCKLWN about penalty charge notices and updating the Off-Street Car Parking Guidelines, were outstanding at the beginning of this audit. Both have now been confirmed as complete as a result of work undertaken during this audit.

Other points noted

In March 2019, a difference of over £3k was identified in the reconciliation between cash collected by BCKLWN and income recorded by the machines themselves. This was due to some collections (from two specific machines) not being recorded on the Parkeon system. The issue has been referred to Parkeon but has not been resolved as yet.

Position Statement – Project Management

Executive Summary

INTRODUCTION

1. This review was carried out in May and June 2019 as part of the planned internal audit work for 2019/20. The Council has a number key strategic projects ongoing at present, led by various departments within the Council.

Refer to Materiality section below for the two projects selected for scrutiny as part of this review.

SCOPE

2. The objective of the review was to highlight any possible areas for improvement and provide a 'position statement' to the senior management of the Council on the outcomes of the review, as outlined above. The review considered the project management framework, project initiation, monitoring of ongoing projects, finances, risk and post-project reviews.

MATERIALITY

3. The Council has several major projects currently underway, with total budgets amounting to several million pounds. The two projects tested in detail within this audit were the Cromer Sports Hub and the Digital Transformation Programme, which have budgets of £2.95m and £2.5m respectively.

KEY FINDINGS

4. Outcomes of the review are detailed in the table below.

AUDIT OBSERVATIONS

5. The audit has concluded with a number of suggested actions / improvements presented to management for consideration. These will help management to work towards ensuring that projects are approved and managed in a consistent and robust manner.

Key suggested actions / improvements include:

- Develop and implement a formal process for selecting which proposed projects should go ahead.
- Update the Guide to Project Management to reflect current practices.
- Ensure consistency of documentation and record keeping for all projects, using a central database.
- Regular updates to senior management on project progress to be provided, including details of issues arising and remedial actions required.

- Initial project proposals and business cases to make reference to how the project will help to achieve the objectives in the Corporate Plan.
- Ensure that funding is formally confirmed and in place for all projects prior to approval and commencement
- Funding requests to Cabinet/Council should be robust and have input from Finance
- Initial risk assessments be completed consistently between projects, using a standard template and methodology.
- Risk assessments are subject to regular review and update including those in respect of the DTP projects.
- Project objectives and milestones are defined at the beginning of the project and progress against these is regularly reported on.
- Post-implementation reviews to be completed for all major projects

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CORPORATE RISK REGISTER: SEPTEMBER 2019 UPDATE

Summary: The Corporate Risk Register (CRR) monitors and tracks the Council's most significant risks. This Report provides Members with an update in relation to the Corporate Risk Register.

Conclusions: The changes made to the register will help to improve the monitoring and ownership of the corporate risk register and the actions contained therein.

Recommendations: Members are asked to note CRR.

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Cabinet Member(s)	Ward(s) affected
All	All

Contact Officer, telephone number and email:
Duncan Ellis, 01263 516330, Duncan.ellis@north-norfolk.gov.uk

Summary Register

Risk	Ref.	Current Score	Target Score	Direction of Travel		Risk Owner
Coastal Erosion - (the effects of)	002(CR)	20	12	↔	☹	Rob Goodliffe - Coastal Management Team Leader
Medium Term Financial Plan	015(CR)	15	12	↔	☹	Duncan Ellis - Head of Finance & Assets
Recruitment (inability)	024(CR)	15	9	↔	☹	Sally Morgan – Human Resources Manager
Corporate project risks	NEW	See below	See below	NEW	NEW	Management Team – Corporate project risks feed in from individual project registers (high impact issues only)
Digital Transformation Programme	003(CR)	12	8	↔	☹	Nick Baker – Corporate Director & Head of Paid Service
Information - (loss of)	008(CR)	12	8	↔	☹	Sean Kelly - Head of Business Transformation & IT
Procurement - (lack of value for money)	009(CR)	9	3	↔	☹	Duncan Ellis - Head of Finance and Assets
Property assets (the condition of)/ Asset Management	001(CR)	9	9	↔	☹	Duncan Ellis - Head of Finance and Assets
Housing Delivery	010(CR)	6	6	↔	☹	Nicky Debbage & Graham Connolly – Joint Strategic Housing Team Leader Rob Young – Head of Community & Economic Development (interim)

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Risk	Ref.	Current Score	Target Score	Direction of Travel		Risk Owner
Operational disruption - (significant event)	013(CR)	6	6	↔	☹️	Alison Sayer - Resilience Manager, Steve Hems - Head of Environmental Health

Direction of travel shows change from assessment in Q1 2019/20 to Q2 2019/20.

KEY

Impact Type	Catastrophic - 5	Critical - 4	Moderate - 3	Marginal - 2	Negligible - 1
Objectives	The key objectives in the Corporate Plan will not be achieved.	One or more Key Objectives in the Corporate Plan will not be achieved.	Significant impact on the success of the Corporate Plan.	Some impact on more than one Service.	Insignificant impact on more than one Service.
Financial Impact (Loss)	Over £1.5m	£500K - £1.5m	£300K - £500K	£0K - £300K	£0-20K
Likelihood	Very High - 5	High - 4	Moderate - 3	Low - 2	Very Low - 1
Probability	Over 90%	60 - 90%	40 - 60%	10 - 40%	below 10%
Timing	Within six months	Within a year	Within 1 to 2 years	Probably within 15 years	Probably over 15 years

Risk 1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening	Existing Controls Controls that have been implemented since the last review are show in green	Score (with controls) Impact x Likelihood = Total	Action (to achieve target score) and progress to date	Action Due date	Target score Impact x Likelihood = Total	Risk owner
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<p>Medium Term Financial Plan - 015(CR)</p> <p>1. Forecast funding reductions and shift to local financing from business rates, council tax and new homes bonus. The business rates retention system has shifted the risk of business rates fluctuations to the local level, meaning that Local Authority funding will be impacted directly from decline in business and also planned reductions to the revenue support grant and reliance on New Homes Bonus funding (top sliced from 2017/18) influenced by delivery of new homes and reductions in long term empty properties. Changes to the business rates retention scheme, now to 75% local retention in 2020/21.</p> <p>2. Failure to produce a balanced budget position and funded future projections in the medium term.</p> <p>3. The Corporate Plan may not be delivered to the identified timescales. The level of service currently provided could be at risk, unplanned use of reserves which is unsustainable in the longer term. Higher level of savings and additional income requirement in future years.</p>	Policy work	5x3=15	Growth forecasting developed for housing and business rates to inform forecasts and budget.	LH	Sept 18 (complete)	4x3=12	Duncan Ellis - Head of Finance & Assets	
	Lobbying Central Government							
	Medium Term Financial Strategy (MTFS)			Early update of the Financial Strategy to inform the 19/20 budget process completed and reported to Members in October. Member training sessions all now delivered.	DE			Oct 18 (complete)
	Corporate Planning / Service Planning							
	Budget Process / Budget Monitoring			Changes to the NHB scheme from 2017/18 now taken account of and built in to the 2018/19 budget and future projections. Now updated as a result of Provisional Settlement figures.	DE			Oct 18 (complete)
	Regular monitoring system of the impact of the business rates retention and the localised council tax support system							
	Utilisation of the New Homes Bonus grant within the base budget for 2018/19 onwards			Action proposed to improve long term empty property numbers through enforcement.	SH			June 18 (complete)
	Annual review of the Council's reserves			Business cases for commercialisation to deliver future income and efficiencies.	DE			Ongoing
Reporting - New legislation and consultation		Waste procurement and pay spine review now included in 2019/10 budget forecasts.	DE	Feb 2019 (complete)				
Timely agreement of the annual Localised Council Tax Support Scheme		New leisure contract now re-let, commences April 2019. Savings used to help finance rebuilding of the leisure facilities in Sheringham.	DE	Feb 2019 (complete)				
Project Management Plans								
Balanced 2019/20 budget agreed 27 March 2019			The position regarding recycling income from the joint venture arrangements with Norse is currently being monitored closely as income from paper	DE/ SH	Ongoing			

			<p>cycling is declining rapidly following China's new approach to the materials it accepts for recycling from 1 March 2018.</p> <p>Currently experiencing resourcing/capacity issues with the external audit review being undertaken by Ernst & Young in relation to the 2018/19 accounts which will mean a delay to the sign off of the accounts.</p> <p>A preliminary hearing date of the 4 November 2019 has been set to start to consider the High Court challenge which has been launched by 14 NHS Trusts. Officers will continue to monitor the position and provide updates as the case progresses. It is incredibly difficult at the present stage to try and assess the financial impact this would have on the Council due to the countywide business rate pooling arrangements. The pool does contain a £1m 'volatility fund' and the Council also has the Business rates Reserve which holds a further £2.4m to help mitigate against any financial impact should the case be won by the NHS. Further details can be found within the following article accessed here.</p>	<p>DE/ LH</p> <p>DE/ LH</p>	<p>Ongoing</p> <p>Ongoing</p>		
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			Continuing to monitor the position in relation to 75% business rates retention. Pilot application for 2019/20 successful.	LH	Aug 18 (complete)		
			Initial response submitted in relation to the Fair Funding review on 12 March 2018 plus second phase on 21 Feb 2019. Continuing to engage with debate and consultation process.	LH	March 18 (complete)		
			Informal feedback has been provided to Ministry of Housing Communities and Local Government (MHCLG) in relation Fair Funding etc ahead of a formal consultation process.	DE	Dec 18 (complete)		
			Additional income (£96k) received as part of the 19/20 Provisional Settlement in relation to Rural Services Delivery grant.	DE	Feb 19 (complete)		
			Balanced 2019/20 budget agreed 27 March 2019.	DE	Feb 19 (complete)		
			Brexit – developments being monitored, small funding allowance from central gov (£17k) for 18/19 and 19/20. Also considered where it might impact on individual projects ie construction costs	DE	Ongoing		
			The Spending Review 2019 will be announced on Wednesday 4 September and a briefing on the impact will be provided following this. Further details here .	DE/ LH	Ongoing		

<p>Coastal Erosion and flooding - (the effects of) - 002(CR)</p> <p>1. Lack of Government funding to maintain coast defences and / or to support local coastal adaption needs.</p> <p>2. Coastal erosion and blight of coastal settlements through loss of public and private infrastructure and assets and impact of flooding. The Council has devoted significant resources to pursuing sustainable answers to coastal management issues. There is a considerable Health and Safety context here which serves to increase the reputational risk for the Council at the same time.</p> <p>3. Ongoing coastal erosion through loss of defences presents a reputational risk in the eyes of local communities and direct loss of Council owned assets / infrastructure which are fundamental to the district's tourism offer and therefore the economic well-being of the district. Loss of confidence in respect of business investment/residential property market; blight of properties in erosion zone; direct loss of tourism assets and infrastructure ie proms, chalets, toilets etc; loss of tourism income / employment.</p>	<p>The Pathfinder Project</p> <p>Shoreline Management Plan (SMP)</p> <p>Repairs & Maintenance Programme</p> <p>Procurement practices</p> <p>Health & Safety checking and monitoring</p> <p>DEFRA funding of capital schemes</p> <p>Coast monitoring</p> <p>Control of coastal management schemes through procurement and regular checking</p> <p>Coastal Partnership East</p> <p>Sandscaping agreement procured and contract signed off</p> <p>10 year capital programme</p>	<p>5x4=20</p>	<p>Cromer Sea Defence Works – On Track - Phase 1 completed. Phase 2 to be developed once coastal system has settled.</p> <p>£0.5m capital contribution agreed by Full Council on 16/11/16 to support the joint Bacton and Walcott coastal management scheme. Scheme now funded with a project completion date by end of 2020 which will provide significant defence to Bacton Gas Terminal and local coastal communities. Tender process now complete and contractor appointed. The scheme is progressing well and more information can be found here.</p> <p>The Council has highlighted the importance of coastal defence funding in the consultation response to the Fair Funding review and will continue to do so.</p> <p>Mundesley Coastal Management Scheme received technical approval.</p> <p>Ongoing discussions with Environment Agency and Defra regarding coastal adaptation funding.</p>	<p>RG</p> <p>RG</p> <p>LH</p> <p>RG /TP</p> <p>RG</p>	<p>Dec 17 (phase 1 complete)</p> <p>Dec 20 (not yet due)</p> <p>Feb 19 (complete)</p> <p>March 2021</p> <p>Ongoing</p>	<p>4x3=12</p>	<p>Rob Goodliffe - Coastal Manager (North) & Bill Parker – Head of Coastal Partnership East</p>
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<p>Digital Transformation Board Monitoring Programme 003(CR)</p> <p>1. In order to achieve savings of c£350,000 revenue savings and at the same time improve Customer transactional services, DTP was commenced in January 2014. It has delivered a year early than planned more than £50,000 over and above what was originally planned. As a result, the DTP has now been increased for a further three years from April 2018 with a view to saving a further £216k pa.</p> <p>2. The programme has been built on a foundation of IT infrastructure changes which have allowed service BPR and subsequent efficiency and financial improvements.</p> <p>3. The main risks to the programme are that the individual work streams can't be delivered as anticipated and that there might be insufficient capacity internally to deliver the IT and service changes required. In addition, there is the scope for some reluctance from staff and customers to adopt new methods of working. Further risk is the potential inability for the Council to recruit technical competent IT staff. In the event of any of these risk becoming a reality then the anticipated savings may not be delivered.</p>	<p>Digital Transformation Board monitoring projects progress</p> <p>Communications plan around the programme to ensure buy-in</p> <p>New IT, Customer Services and Communication strategies approved during 2017/18</p> <p>Protection against data loss and/or system hacking required under PSN compliance regime to which the Council is fully compliant</p> <p>Ensuring that HR policies reflect the need to recruit differently in difficult to recruit subject areas</p> <p>Staff development processes in order to maintain technical competence</p> <p>DTP progress reports are provided to Cabinet and O&S on a six monthly basis to enable Member oversight</p>	<p>4x3=12</p>	<p>Phase one is almost complete with many of the key technology enablers either in place or commissioned and in the implementation phase. Both service based and cross cutting service change initiatives are in progress to take advantage of the technology commissioned.</p> <p>The Major service BPR in Planning is being implemented and the BPR of the Environmental Health Service is progressing well.</p> <p>Phase 2 of the DT programme was agreed as part of the 2018/19 budget process through allocation of a capital budget of £0.94m which is anticipated to generate net annual ongoing savings of c£0.216m once fully implemented.</p>	<p>SK</p> <p>SK</p> <p>SK</p>	<p>December 19 (not yet due)</p> <p>Sept 19 (not yet due)</p> <p>March 21 (not yet due)</p>	<p>2x4=8</p>	<p>Nick Baker – Corporate Director & Head of Paid Service</p>
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Risk 1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening	Existing Controls Controls that have been implemented since the last review are show in green	Score (with controls) Impact x Likelihood = Total	Action (to achieve target score) and progress to date	Action owner	Due date	Target core Impact x Likelihood = Total	Risk owner
<p>Recruitment (inability) – 024(CR)</p> <p>1. Difficulty recruiting into key posts, particularly in Planning Services, Finance, IT, Assets and Revs and Bens. Reasons for this are partly down to the geographical remoteness of North Norfolk from the rest of the country and also down to a significant pay gap from some professional areas between private and public sector and between different localities within this sector.</p> <p>2. Not able to recruit skills and knowledge to deliver plans – corporate plan, business transformation, planning performance and delivery etc. Increased stress levels on existing staff, Increased workload in HR of repeated recruitment exercises.</p>	<p>Pay Policy has been updated to reflect Golden Hello's' and retention payments</p> <p>Relocation Policy</p> <p>Employee Referral Scheme</p> <p>Market Pay Review report</p> <p>Apprenticeship programme</p>	<p>3x5=15</p>	<p>Successful recruitment into key posts within Finance and Assets and Planning, IT and Revs and Bens during 2017.</p> <p>Market Pay Review report considered and agreed by Cabinet and Full Council in December 2017 in relation to increasing the pay bands by one spinal point accepted.</p> <p>Following the Market Pay Report the work identified to be undertaken in relation to posts more than 10% adrift of the benchmarking has been completed in respect of Revenues & Benefits.</p> <p>Rolling advert in place for Planning. Successful recruitment of new Head of Planning.</p> <p>Success in IT recruitment through the use of graduate apprentices.</p> <p>The Council has a long history of 'growing our own' particularly in Planning and Environmental Health where employees are supported through their professional qualifications.</p>	<p>DE/SK</p> <p>SM</p> <p>SM</p> <p>SM</p> <p>SK</p> <p>SM</p>	<p>Dec 17 (complete)</p> <p>Dec 17 (complete)</p> <p>Dec 18 (complete)</p> <p>Aug 18 (complete)</p> <p>Aug 18 (complete)</p> <p>Ongoing</p>	<p>3x3=9</p>	<p>Sally Morgan – Human Resources Manager</p>

Risk 1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening	Existing Controls Controls that have been implemented since the last review are show in green	Score (with controls) Impact x Likelihood = Total	Action (to achieve target score) and progress to date	Action owner	Due date	Target core Impact x Likelihood = Total	Risk owner
			Apprenticeships are being used to attract new talent to the Council and to develop this talent in other service areas. Market pay reviews are usually undertaken annually, with the next review due in April 2020.	JH SM	Ongoing April 2020 (not yet due)		
<p>Property assets - (the condition of) - 001(CR)</p> <p>1. A lack of investment and sound decision-making.</p> <p>2. Deteriorating property assets may lead to a loss of revenue and possible legal liability and increased maintenance costs.</p> <p>3. The Council does not achieve value for money from its investment and/or possible legal liabilities either directly or through its leasing arrangements.</p> <p>4. Reduced potential for asset commercialisation opportunities if assets are not properly maintained.</p> <p>5. Reputation risk to Council of poorly maintained assets from residents and visitors alike. This scenario is detrimental to the local tourism economy as well as</p>	<p>Production and approval of the Asset Management Plan</p> <p>Adequate budget provision both from revenue and capital to support repair and maintenance (R&M) works and capital investment improvements</p> <p>Asset condition surveys</p> <p>Compliance policies in place and up to date</p> <p>Compliance works undertaken in a timely fashion</p> <p>Adequate staff or appropriately qualified external contractor support</p> <p>Procure a Strategic Development Partner to provide further capacity and to help achieve asset commercialization agenda</p> <p>Production of business cases to support asset development</p>	3x3=9	<p>Controlled risk.</p> <p>The updated Asset Management Plan (AMP) was considered by Cabinet and approved by Full Council in March 2018. A £2m (now £1m) Property Investment Fund has been allocated to help support the AMP as part of the 2018/19 budget process.</p> <p>Detailed revenue and capital budget monitoring procedures in place to track and monitor spend.</p> <p>Rolling asset condition surveys continue to be undertaken to ensure that the R&M schedules remain up to date.</p> <p>Various policies are in place to help manage property risks and risk assessment inspections and review works continue to be developed and improved.</p>	RG DE RG RG/RT	<p>March 18 (complete)</p> <p>Ongoing (complete – embedded into budget monitoring procedures) Dec 19 (procurement complete, assets now to be surveyed)</p> <p>March 18 (complete)</p>	3x3=9	Duncan Ellis – Head of Finance & Assets

Risk 1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening	Existing Controls Controls that have been implemented since the last review are show in green	Score (with controls) Impact x Likelihood = Total	Action (to achieve target score) and progress to date	Action owner	Due date	Target core Impact x Likelihood = Total	Risk owner
			A number of new concessions have been identified for the 2018/19 financial year. £600k programme of public convenience works agreed plus £1.1m works to Cromer pier.	RG RT	April 18 (complete) March 20 (ongoing)		
Procurement - (lack of value for money) - 009(CR) 1. The current financial climate, recent resourcing issues causing an absence of a focus for this work, together with a reduction in the available accountancy resources going forward increase the risk of a lack of continuous improvement in this area. 2. Failure to adopt new procurement practices and delivery of efficient and timely procurement processes could mean that the Council will not achieve value for money procuring the goods and services it uses. 3. The Council may not achieve value for money, financial/procedural inefficiencies possible challenge to contracting procedures.	Procurement Strategy Procurement Framework Joint procurement protocol and opportunities for joint/shared procurement with other authorities where possible Advice for external suppliers Procurement Officer post established	3x3=9	Regular procurement refresh and review of procedures. Procurement Strategy due to be updated during 2019 along with a review of the Contract Standing Orders. New Procurement Officer post appointed in September 2017. E-procurement in place and being managed by the new Procurement Officer. Procurement audit completed March 2018, Reasonable Assurance. Leisure contract procurement – contract agreed by Full Council in December 2018, handover complete, new contract with new supplier commenced from April 2019. Splash re-build procurement.	DB DE DB DE RY NB	Dec 19 (not yet due) Sept 17 (complete) Sept 17 (complete) March 18 (complete) Dec 18 (contract let - complete) Dec 20 (not yet due)	3x1=3	Duncan Ellis – Head of Finance & Assets

Risk 1. Cause of risk 2. Description of Risk or potential event 3. Consequence of risk happening	Existing Controls Controls that have been implemented since the last review are show in green	Score (with controls) Impact x Likelihood = Total	Action (to achieve target score) and progress to date	Action owner	Due date	Target score Impact x Likelihood = Total	Risk owner
			Waste procurement - joint waste procurement underway.	SH	April 20 (not yet due)		

<p>Information - (loss of) - 008(CR)</p> <p>1. With our increasing dependence on IT systems to undertake normal business, the risk of information or data loss or external hacking of the Council's systems, also increases. With the increased use of mobile technology, the risk for information loss also increases.</p> <p>2. There exists an inherent potential for the loss of organisational information at any security level. There is a joint responsibility between the IT service, the Council service and individuals for ensuring electronic data and information remains secure.</p> <p>3. Information may be inappropriately used or accessed. Fraud or data corruption may occur. Systems may suffer damage. The Council's reputation may be harmed and the Council may suffer financial penalties for claims in respect of loss data.</p> <p>4. New General Data Protection Regulations (GDPR) are being introduced from 25 May 2018. Covers data protection and privacy for individuals and aims primarily to give citizens and residents control over their personal data.</p>	<p>IT Strategy 2017/2021 (currently being updated by the Head of Business Transformation and IT)</p> <p>IT Security Policies</p> <p>Implementation of data security protocols</p> <p>IT Monitoring</p> <p>Data Protection training</p> <p>PSN Code of Connection compliance</p> <p>Regular audits of IT security arrangements</p> <p>Regular 3rd party data protection and integrity testing</p> <p>Information security and data protection training – Implemented</p> <p>Information Risk Policy and Role Description</p> <p>GDPR guidance notes issued by legal</p> <p>GDPR email/ mailing list software</p> <p>GDPR e-learning staff training</p>	<p>4x3=12</p>	<p>Info on information security and data protection to be shared with staff through intranet. Mitigated by the implementation of the e-learning system which has some InfoSec content. All posts with a requirement for increased awareness identified and learning plan implemented.</p> <p>Senior Information Risk Officer (SIRO), FOI and Data Protection Reports - Good outcome from Audit. New Information Risk Policy was drafted in January 2018 along with a role description to support the SIRO position. The Risk Management report completed in February 2018 also received a substantial assurance.</p> <p>First local authority to receive full GCSX compliance for web access to e-mail.</p> <p>Staff have completed GDPR training.</p> <p>Review/update IT Security Policy, GDPR info register.</p> <p>Information Asset Owners (IAO) identified and Article 30 spreadsheets complete.</p> <p>Training for IAO's now complete.</p>	<p>SK/ED</p> <p>NB</p> <p>SK</p> <p>SM</p> <p>SK</p> <p>NB</p> <p>NB</p>	<p>Dec 18 (complete)</p> <p>March 18 (complete)</p> <p>March 18 (complete)</p> <p>Dec 18 (complete)</p> <p>March 19 (complete)</p> <p>March 19 (complete)</p> <p>May 19 (complete)</p>	<p>4x2=8</p>	<p>Sean Kelly - Head of Business Transformation & IT</p>
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<p>Housing Delivery - 010(CR)</p> <p>1. A combination of lack of developer confidence because of recession / weak financial markets and pressure on public finances meaning reduced availability of grant funding for affordable housing provision.</p> <p>2. Inability to secure planning permission for provision of affordable housing.</p> <p>3. A challenge over the Council's ability to deliver sufficient affordable homes</p> <p>4. Loss of longstanding temporary accommodation in the district</p> <p>5. Short term accommodation cannot be provided which will increase use of Bed and Breakfasts and inability to complete a statutory function</p>	<p>Use of capital</p> <p>Partnership work with Registered Providers</p> <p>Local Investment Plan</p> <p>Local Development Framework (LDF) policies</p> <p>Internal planning protocol</p> <p>Increased Focus</p> <p>Housing Strategy discussion document (2010)</p> <p>Enhance Housing Association delivery</p>	<p>3 x 2 = 6</p>	<p>All controls are implemented and risk is currently under control, to be reviewed every six months.</p> <p>To re-draft Housing Delivery Strategy to address Identify alternative sources.</p> <p>Housing Association – commission flats through risk partners.</p> <p>Cabinet report in December 2016 for immediate provision of a capital bid for a longer term provision as part of budget.</p> <p>Consideration of alternative solutions to help address point 5 is ongoing, supported by acquisition of a property in Holt.</p> <p>Community Housing Fund allocation of £2.4m announced in December 2016.</p> <p>£2m allocated within 2019/20 budget to establish a Property Company with a housing focus</p> <p>Continuing to monitor position in respect of Brexit and how this might potentially impact on the ability to deliver and acquire homes as a home owner</p> <p>Monitoring of homelessness spend.</p>	<p>SB</p> <p>Tbc</p> <p>ND / GC</p> <p>ND / GC</p> <p>ND / GC</p> <p>ND / GC</p> <p>RG</p> <p>LG</p>	<p>Dec 19 (not yet due)</p> <p>TBC</p> <p>Dec 16 (complete)</p> <p>Dec 18 (complete)</p> <p>March 21 (ongoing)</p> <p>March 21 (ongoing)</p> <p>March 20 (ongoing)</p> <p>Ongoing</p>	<p>3 x 2 = 6</p>	<p>Nicky Debbage & Graham Connolly - Joint Housing Team Leader - Strategy</p> <p>Rob Young – Head of Economic & Community Development (interim)</p>
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<p>Operational disruption - (significant event) - 013(CR)</p> <p>1. Both the National, Local and Community Risk Registers have more information regarding the risk of specific events occurring.</p> <p>2. Any Internal or external event that has a significant impact on the ability of the Council to deliver services.</p> <p>3. a) Loss of staff for 'usual' service delivery b) Loss of premises c) Loss of key partners/suppliers d) Loss of infrastructure services e) Reduction in the ability of the Council to deliver services, possibly at a time of increased demand from the community.</p>	<p>Emergency Response & Recovery Planning</p> <p>Business Continuity Planning</p> <p>Corporate Business Continuity key role training</p> <p>Critical Services Business Continuity Plans completed</p> <p>Adverse Weather Guidance created and issued, Jan 2019</p>	<p>3x2=6</p>	<p>All controls are implemented and risk is currently under control, continual review.</p> <p>Good Council response during bad weather Feb/March 2018. Cromer building managed by skeleton staff with c70 members of staff maintaining Council services remotely.</p> <p>Concerns regarding the financial strength of Kier Street Services Ltd. Contingency plan in place. Members updated. Further announcement re additional £40m of debt, interim results due out 20 March at which point more will be known.</p> <p>Flood Alert and Flood Warning triggers at Bacton to Ostend including Walcott reviewed by the Environment Agency re significant northerly-aspect winds. New levels agreed at the Senior Flood Warden meeting 20 March.</p> <p>Review work and impact assessment currently underway following the loss of the servers in June 2019.</p>	<p>AS</p> <p>SH</p> <p>AS</p> <p>SK /AS</p>	<p>Dec 18 (complete)</p> <p>March 19 (ongoing)</p> <p>March 19 (complete)</p> <p>September 19 (not yet due)</p>	<p>3x2=6</p>	<p>Alison Sayer - Resilience Manager,</p> <p>Steve Hems - Head of Environmental Health</p>
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<p>Corporate projects – NEW(CR)</p> <p><i>New section to be developed to ensure that high level corporate risks and identified and flow through to the Corporate Risk Register from the various boards in a timely fashion.</i></p> <p>Sheringham Leisure Centre</p>	<p><i>These will be specific and relate to the individual projects but will include such things as committee reports, budget monitoring, oversight Boards etc</i></p> <p>Business plan signed off by Full Council Capital budget approved Sport England Funding application submitted</p>	<p>5 x 3 = 15</p>	<p><i>These will be specific and relate to the project in question.</i></p> <p>Key issues;</p> <p>Budget increase required following completion of build contractor procurement. Report due to be considered by Full Council on 24 July 2019.</p> <p>Budget increase subsequently agreed by Full Council on 24 July 2019.</p>	<p>R Y/ D E</p>	<p>July 19 (not yet due)</p>	<p>4 x 2 = 8</p>	<p>NB</p>
<p>Corporate Project Resources</p> <p>1. The Council currently has 2 Project Managers internally. Need to consider capacity and resources available to adequately support internal projects</p> <p>2. Ensure projects are aligned to the Council's new emerging Corporate Plan</p>	<p>Project management framework and governance arrangements Project management staff Use of external contractors Project management plans</p>	<p>5 x 3 = 15</p>	<p>Discussion paper presented to Corporate Leadership Team (CLT) covering proposed project governance improvements.</p> <p>Development of project 'sieve' to help objectively assess and score corporate projects against the core themes within the new Corporate Plan.</p> <p>Internal audit review of project governance completed July 2019. Final report recommendations to be presented to the GRAC meeting on 10 September 2019.</p>	<p>E D</p>	<p>June 2019 (complete)</p> <p>September 2019 (ongoing)</p> <p>July 2019 (complete)</p>	<p>4 x 2 = 8</p>	<p>NB</p>

Risk owners

- Alison Sayer (Resilience Manager)
- Bill Parker (Head of Coastal Partnership East)
- Debra Beccles (Procurement Officer)
- Duncan Ellis (Head of Finance & Assets)
- Emma Duncan (Head of Legal)
- Janella Hadlow (HR Business Partner)
- Lucy Hume (Chief Technical Accountant)
- Lisa Grice (Housing Options Manager)
- Nick Baker (Corporate Director & Head of Paid Service)
- Nicky Debbage (Joint Strategic Housing Team Leader)
- Renata Garfoot (Estates & Asset Strategy Manager)
- Rob Goodliffe (Coastal Management Team Leader)
- Rob Young (Head of Economic & Community Development)
- Russell Tanner (Assets & Property Programme Manager)
- Sally Morgan (Human Resources Manager)
- Sean Kelly (Head of Business Transformation & IT)
- Steve Blatch (Corporate Director & Head of Paid Service)

Agenda Item 9

GOVERNANCE, RISK & AUDIT COMMITTEE ON 23rd JULY 2019 - ACTIONS ARISING FROM THE MINUTES

Minute No.	Agenda item and action	Action By
6.	FINAL STATEMENT OF ACCOUNTS - UPDATE	
	To note the update	GRAC July meeting
7.	CORPORATE RISK REGISTER	
	To note the Corporate Risk Register	GRAC July meeting
8.	INDEPENDENT REVIEW OF LOCAL AUTHORITY FINANCIAL REPORTING AND EXTERNAL AUDIT	
	To note the Report	GRAC July meeting

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GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL WORK PROGRAMME 2019/2020

Date/Completed	Item	Lead Officer/Member	Objectives & Additional Comments	Cycle
11th June 2019				
	Progress report on Internal Audit Activity	Internal Auditors – Emma Hodds/Faye Haywood		Quarterly
	Follow up on Internal Audit Recommendations	Internal Auditors – Emma Hodds/Faye Haywood	To include update on historical recommendations	Six Monthly
	Annual Report/Opinion & Review of the Effectiveness of Internal Audit	Internal Auditors – Emma Hodds/Faye Haywood		Annual
	Self-assessment feedback	Internal Auditors – Emma Hodds/Faye Haywood		Annual
	Monitoring Officer’s Report	Monitoring Officer – Emma Duncan		Annual
	Annual Governance Statement 2018/19	Chief Technical Accountant – Lucy Hume		Annual
	GRAC Annual Report	Committee Officer – Matt Stembrowicz		Annual
	Draft Statement of Accounts	Chief Technical Accountant – Lucy Hume		Annual
23rd July 2019				
	Audit Results Report	External Auditors - EY		Annual
	Letter of Representation	Head of Finance & Asset Management – Duncan Ellis		Annual
	Final Statement of Accounts	Chief Technical Accountant – Lucy Hume		
	Corporate Risk Register	Head of Finance & Asset Management – Duncan Ellis		Quarterly
10th Sept 2019				
	EY Annual Audit Letter	External Auditors - EY		Annual
	Progress Report on Internal Audit Activity	Internal Auditors – Emma Hodds/Faye Haywood		Quarterly
	Corporate Risk Register	Head of Finance & Asset Management – Duncan Ellis	To review the corporate risk register	Quarterly
3rd Dec 2019				
	Corporate Risk Register	Head of Finance & Asset Management – Duncan Ellis		Quarterly
	Progress Report on Internal Audit Activity	Internal Auditors – Emma Hodds/Faye Haywood		Quarterly
	Follow Up Report on Internal Audit Recommendations	Internal Auditors – Emma Hodds/Faye Haywood	To include update on historical recommendations	Six Monthly

GOVERNANCE, RISK & AUDIT COMMITTEE – ANNUAL WORK PROGRAMME 2019/2020

	Anti-money laundering policy	Internal Auditors – Emma Hodds/Faye Haywood		Annual
	Civil Contingencies Update	Internal Auditors – Emma Hodds/Faye Haywood		Annual
24th March 2020				
	EY Audit Plan (with overview) Annual Grant Certification Report from EY	External Auditors - EY		Annual
	Progress Report on Internal Audit Activity	Internal Auditors – Emma Hodds/Faye Haywood		Quarterly
	Undertake self-assessment	Internal Auditors – Emma Hodds/Faye Haywood		Annual
	Strategic and Annual Audit Plans	Internal Auditors – Emma Hodds/Faye Haywood		Annual
	Technical update for accounts closedown 2019/20	Chief Technical Accountant – Lucy Hume		Annual
	Corporate Risk Register	Head of Finance & Asset Management – Duncan Ellis	To review the corporate risk register	Quarterly
	Risk Management Framework	Head of Finance & Asset Management – Duncan Ellis	To review the Council’s risk management framework	Annual