

Governance, Risk and Audit Committee



Please contact: Matt Stembrowicz
Please email: matthew.stembrowicz@north-norfolk.gov.uk
Please direct dial on: 01263 516047

25th November 2019

A meeting of the **Governance, Risk and Audit Committee** of North Norfolk District Council will be held in the **Council Chamber - Council Offices, Holt Road, Cromer, NR27 9EN** on **Tuesday, 3 December 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
Tel 01263 513811 **Fax** 01263 515042 **Minicom** 01263 516005
Email districtcouncil@north-norfolk.gov.uk **Web site** www.north-norfolk.gov.uk

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

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

1 - 6

To approve as a correct record, the minutes of the meeting of the Governance, Risk & Audit Committee held on 10th September 2019.

7. PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY: 30 AUGUST 2019 TO 21 NOVEMBER 2019

7 - 18

Summary: This report examines the progress made between 30 August 2019 to 21 November 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 30 August 2019 to 21 November 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

8. FOLLOW-UP ON INTERNAL AUDIT RECOMMENDATIONS 1 APRIL TO 21 NOVEMBER 2019 19 - 30

Summary: This report provides an overview of progress made in implementing agreed audit recommendations due for completion between 1 April to 21 November 2019.

Conclusions: Good progress continues to be made in addressing audit recommendations with a high percentage of these being actioned by management.

Recommendations: It is recommended that the Committee notes management action taken to date regarding the delivery of audit recommendations.

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

9. CIVIL CONTINGENCIES UPDATE - 2019 31 - 34

To receive the annual Civil Contingencies Update.

10. CORPORATE RISK REGISTER

35 - 56

Summary: Following discussion at the last Governance, Risk and Audit Committee on 10 September 2019, an update paper has been provided in relation to the Corporate Risk Register (CRR). The last update to the Risk Management Policy and Framework was approved by the Governance, Risk and Audit Committee (GRAC) in March 2018. The documents are reviewed every two years with the next scheduled update due for March 2020. This policy sets the framework for the Council's Corporate Risk Register (CRR) which monitors and tracks the Council's most significant risks. This report is to provide Members with an update in relation to the Corporate Risk Register.

Conclusions: The changes which have been made to the register and those proposed for future action will help to improve the monitoring and ownership of the corporate risk register and the actions contained therein.

Recommendations: Members are asked to note the report, the improvements made and the proposed improvements to be considered as part of the update process for the CRR in March 2020.

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

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

11. ANNUAL ACCOUNTS UPDATE

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

12. GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST 57 - 58

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

13. GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME 59 - 60

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

14. 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.”

15. CONFIDENTIAL INVESTIGATION

61 - 64

Members to consider the content of the confidential briefing note and consider any necessary recommendations.

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GOVERNANCE, RISK AND AUDIT COMMITTEE

Minutes of the meeting of the Governance, Risk and Audit Committee held on Tuesday, 10 September 2019 at the 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:

Cllr N Pearce

Officers in Attendance:

The Internal Audit Manager, The Democratic Services & Governance Officer (Scrutiny), and the Chief Technical Accountant

12 TO RECEIVE APOLOGIES FOR ABSENCE

None received.

13 PUBLIC QUESTIONS

None received.

14 ITEMS OF URGENT BUSINESS

None received.

15 DECLARATIONS OF INTEREST

None declared.

16 MINUTES

Minutes of the meeting held on 23rd July 2019 were agreed as a correct record and signed by the Chairman, subject to Cllr N Pearce being listed as 'in attendance'.

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

The Internal Audit Manager introduced the Report and informed Members that it covered the period from 1st April to 21st August 2019. She stated that a total of 26 days work had been completed to date, equal to fourteen percent of the overall plan.

Questions and Discussion

The Internal Audit Manager referred to the work summary on page 12 of the agenda, and informed Members that the Internal Audit Team were on-track with the agreed

plan, meaning that the car parking and project management work had been completed. She added that quarters three and four had significantly more work planned and that she would work with officers to ensure that next year's audit plan was more evenly spread across each quarter.

The Internal Audit Manager referred to the yet to be determined IT audit area and informed Members that after a discussion with the Head of IT Digital Transformation, a proposal had been made for a GIS application audit. This would look at the controls around access, administration and support for the software which was key to the Council's planning function. The Chairman stated that he was happy for the audit to go ahead as soon as possible. In addition to the GIS audit, business continuity and cyber security had already been scheduled for quarter 4.

On the car parking audit, the Internal Audit Manager informed Members that six recommendations had been made of which three were important, and three needed attention. The three important recommendations included discrepancies between monthly income reports of mobile app payments and actual income, contractual arrangements for emergency repairs, and the need for regular stock takes of season tickets to avoid losses. Cllr S Penfold asked if the income from car parking covered the costs of the service, to which the Chief Technical Accountant confirmed that the service did return a profit. The Chairman added that the Council's car parking revenue was in excess of £2m. The Internal Audit Manager concluded by stating that a positive assurance had been given.

On project management, the Internal Audit Manager stated that the primary aim of the audit was to ensure that the framework was sufficient. As a result, the focus points were governance arrangements, management, and evaluation. The projects chosen for evaluation were the Digital Transformation Programme and the Cromer Sports Hub. The audit determined that a single location for all project documentation had been established, and that whilst project guidance was available, a recommendation for improvements had been made. It was confirmed that project budgets had been subject to detailed modelling. The key findings were as follows; proposals must be linked to the values and goals of NNDC, each project must be managed in the same way, senior management need a better overview and communication on the progress of each project, and finance expertise must be used to better manage project risks.

Cllr S Penfold asked whether a recommendation had been made for additional training on specialist project management skills, to which the Internal Audit Manager replied there was no evidence to suggest it was required. The Chief Technical Accountant stated that the position statement had been well timed, as the Council was currently reviewing its project management arrangements and had proactively considered training to improve in-house capacity. Cllr S Penfold replied that he had attended project management boards prior to the election, and noted that external project managers had not been in attendance. The Chief Technical Accountant stated that external project managers had reported to officer boards. Cllr J Toye stated that external project managers had been used to provide a brief on the Corporate Plan and aims of the Council. The Chief Technical Accountant added that they had also been used for the Council's leisure strategy, and whilst there was no written procedure for this at present, it could be implemented in the future. Cllr J Stenton asked whether it was cost-effective to use external project managers, to which the Chairman replied that it would be difficult to provide specific training for the various projects.

Cllr C Cushing stated that the current project management methodology appeared

fairly antiquated, and suggested that it might be beneficial to use the agile method for IT related projects. Cllr C Cushing proposed that the agile methodology be given consideration for the management of future IT projects. The proposal was seconded by Cllr J Rest.

Cllr C Cushing referred to project governance, and stated that monthly meetings with detailed reports should be established for each project, and that updates should be fed to a central Committee. Cllr S Penfold asked why the individual project board meetings had ceased, to which the Chairman replied that the election likely caused meetings to stop, but suggested that the boards should have been more robust. Cllr C Cushing stated that the allocation and release of funds for projects should be measured against monthly targets, and that standardised reports should track these targets. The Democratic Services and Governance Officer noted that concerns had been raised around the governance arrangements of the project boards, and it was possible that project updates would be brought to Committee meetings to improve these. The Chief Technical Accountant added that consideration had been given to these issues during the capability review, and the formulation of a corporate delivery unit was underway as a result. Cllr J Toye stated that project boards were constructive, but had to be comprised of the right people. He then asked whether project reports could be presented more openly at Committee meetings. Cllr S Penfold commented that lower level operational work still had to be carried-out by smaller project boards. Cllr C Cushing asked if any further work would come out of the position statement to provide greater assurance. The Internal Audit Manager replied that the position statement had provided a health check and identified the necessary recommendations.

The Chairman informed Members that he had requested a forensic audit of a select few of the Council's major projects, and stated that Internal Audit were best placed to review these projects. He added that not all projects could be covered, as there was a time and cost implication for each. Member's were provided with options for the review and asked which projects should be given priority. Members agreed that the projects in greatest need of audit were the Egmere Enterprise Zone and Sheringham Splash. The Internal Audit Manager stated that it was important for the auditors to remain apolitical on the projects, and noted that with both projects being high risk/profile, it was important that the terms of reference and objectives of the audit had to be clear. She added that the audits could be added to the existing audit plan at a cost, or replace existing areas that had been identified for audit this year, and push back existing planned audits to the following year. The Chairman stated that his preference was to have the audits completed as soon as possible. Cllr J Rest proposed that Internal Audit undertake an audit of the Egmere Enterprise Zone and Sheringham Splash projects. The proposal was seconded by Cllr J Stenton.

RESOLVED

- 1. That the future project boards should give consideration to the use of the agile methodology for the management of IT projects.**
- 2. That Internal Audit undertake an audit of the Egmere Enterprise Zone and Sheringham Splash projects.**

18 CORPORATE RISK REGISTER

The Chief Technical Accountant introduced the Report and informed Members that there had been no movement on the risks identified in the summary register. She

added that a corporate projects risk had been added, and that any updates throughout the register were highlighted in green.

Questions and Discussion

The Chief Technical Accountant raised the Medium Term Financial Plan (MTFP) risk, and informed the Committee that the results of the spending review for Local Government had been announced last week. It was suggested that the outcome hadn't brought any substantial good news for district councils such as NNDC. In summary, it was stated that the review equated to the Council's current funding, with an increase for inflation. It was noted however, that it would not cover an increase in costs for several of NNDC's services. The Chief Technical Accountant stated that the Council would continue to lobby ministers on the issues facing Local Government, and added that the planned fair funding and businesses rates review had been delayed for one year, which in effect provided more time to continue lobbying Government.

On recruitment, it was reported that the apprenticeships scheme had been a success, with several new members of staff recruited through the programme.

On the property assets risk, the Chief Technical Accountant informed Members that work at the Grove Lane property in Holt had been completed, and that the site was now being let as office space, providing an income for the Council.

Sheringham Leisure Centre, identified as one of the projects under the corporate projects risks, was noted to have been granted an additional £2m funding. It was stated that recommendations from the project management position statement would become actions to improve the corporate project management framework.

Members were encouraged to provide feedback on the format and content of the Corporate Risk Register, with a view to make improvements. The Internal Audit Manager noted that there was no indication of the Council's risk appetite on the register, and suggested that risks should be articulated in a clearer fashion to reflect the cause and consequence of risks. For example, projects with impact and likelihood scores of 20 or above could be considered outside of the Council's risk appetite, though this would be for the Council to decide. She added that it was not necessary to include low risks on the register. The Internal Audit Manager then referred to the MTFP risk and stated that though the majority of actions had been completed, the risk score had not changed, and suggested that the risk scores should be amended to reflect the current position.

On the corporate projects risks, the Internal Audit Manager stated that little detail was available for the individual projects, and suggested that risks needed to be linked to the Council's corporate and strategic objectives. The Chairman added that whilst the corporate projects risk was new to the summary register, he was concerned that it appeared immediately as a high risk. He agreed that the corporate projects risk was too broad for the summary, and needed to be broken down into individual projects. Cllr J Rest proposed that a review of the content of the CRR be undertaken by the Section 151 Officer, and that corporate projects be presented individually on the summary register. The proposal was seconded by Cllr S Penfold.

Cllr C Cushing stated that risks over 60% were not usually considered a risk, but an assumption. The Internal Audit Manager replied that this again highlighted the need to identify the Council's risk appetite, and suggested that anything over the risk appetite should not be progressed.

Cllr J Toye referred to the coastal erosion risk and asked whether the Council had any control over what was a natural phenomenon. The Chairman replied that there was a financial risk to the Council, as a consequence of the erosion. The Internal Audit Manager stated that in this case, the risk itself required clarification.

The Chairman asked whether resources were available to make the necessary improvements to the CRR, to which the Internal Audit Manager replied that she would be happy to assist the Section 151 Officer to make the changes. The Chief Technical Accountant stated that improvements to the CRR had to be given priority to avoid overlooking any future risks.

RESOLVED

That a review of the content of the CRR be undertaken by the Section 151 Officer, and that corporate projects be presented individually on the summary register.

19 ANNUAL ACCOUNTS UPDATE

The Chief Technical Accountant provided a verbal update on the status of the annual accounts sign-off and informed Members that no further work had been completed by the external auditors. It was noted that opportunities to progress the audit had been missed in August, and with little further contact from EY, it looked as though opportunities to complete the audit in September would also be missed. Members were informed that the Committee could either wait until the December meeting to sign-off the annual accounts, subject to completion of the audit, or grant the Chairman delegated authority in conjunction with the Section 151 Officer, to sign-off the accounts as soon as the audit was complete. The Chairman proposed that he and the Section 151 Officer be given delegated authority to sign-off the annual accounts once audited. The proposal was seconded by Cllr J Toye. The Chief Technical Accountant informed Members that she would update them on the status of the accounts sign-off as and when necessary.

The Chairman asked whether not signing annual accounts had any effect on the Council's status or any financial impact, and whether the Council had already paid the external auditors. The Chief Technical Accountant replied that the external auditors had been paid, as this was a contractual requirement. In terms of financial impact, Member were in informed that the Council could not be reimbursed for expenditure by Central Government, which necessitated borrowing and caused a loss of investment income. The Chairman asked whether the delay was still due a disagreement between EY and NNDC on the treatment of the Council's investments. The Chief Technical Accountant suggested that this was likely an excuse, as the work could be completed without the final sign-off. She added that the reason for the delay was more likely resourcing issues at EY.

In response to a question from Cllr J Stenton, it was confirmed that the Chief Technical Accountant had not been permitted to view the Council's external audit contract by the PSAA, and could not therefore claim compensation for the delay. The Chief Technical added that she expected that the performance indicators outlined in the contract were likely based on audit quality, therefore delays would be inconsequential. Cllr J Stenton asked if next year's invoice for the external audit service could be disputed, to which it was suggested that this would be difficult without reviewing the contract.

Cllr S Penfold asked whether any indication of timescale could be given for the external auditors to complete the audit, to which the Chief Technical Accountant replied that no formal date had been set. It was suggested that a worst case scenario would result in the accounts being signed off after October. Cllr N Pearce asked whether there would be a domino effect for next year's audit as a result of the delay. The Chief Technical Accountant replied that she had raised the issue with EY, and efforts were being made to recruit staff to avoid reoccurrence. She added that it was possible that the audit timeframe might revert back to the previous 30th September deadline, though this was not guaranteed. Cllr N Pearce asked what legal recourse the Council had, to which the Chief Technical Accountant replied that little was available as EY had a legitimate excuse to explain the delay.

RESOLVED

That the Chairman of the Audit Committee and the Section 151 Officer be given delegated authority to sign-off the Annual Statement of Accounts once the external audit is complete.

20 GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST

The Democratic Services & Governance Officer informed Members that all items from the action list had been completed and that there were no further updates.

21 GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME

The Chief Technical Accountant confirmed that the Work Programme was up to date, but stated that it was likely that the Annual Grant Certification Report could be delayed.

22 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at 3.25 pm.

Chairman

Progress Report on Internal Audit Activity: 30 August 2019 to 21 November 2019

Summary: This report examines the progress made between 30 August 2019 to 21 November 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 30 August 2019 to 21 November 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 30 August 2019 to 21 November 2019.

Appendices attached to this report:

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Eastern Internal Audit Services



North Norfolk District Council

Progress Report on Internal Audit Activity

Period Covered: from 30 August 2019 to 21 November 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 in September 2019 the following changes have been made:

Audit	Reason for Change
Sheringham Leisure	At the September 2019 Committee meeting, members agreed to an additional audit of the Sheringham Leisure Centre. Five days have been added to the 2019/20 internal audit plan.
Egmere	At the September 2019 Committee meeting, members agreed to a lesson's learnt review of the Egmere project. Five days have been added to the 2019/20 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 64 days of programmed work has been completed, equating to 34% of the revised 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, these set out matters identified during the assignment where there may be opportunities for service enhancements to be made to increase both the operational efficiency and enhance the delivery of value for money services. These are for management to consider and are not part of the follow up process.

4.4 During the period covered by the report two Internal Audit reports have been issued:

Audit	Assurance	P1	P2	P3
Coastal Management	Substantial	0	0	0
Section 106 Agreements	Reasonable	0	5	0

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 these audits five recommendations have been raised during this period.

4.7 It is pleasing to note that these audits concluded with 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.

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 amber or red 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 Quarter two of the 2019/20 Internal Audit plan has now been completed and a report on the performance measures 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 Management	NN2001	6	6	6	Final position statement issued 15 August 2019						Sep-19
TOTAL		16	16	16							
Quarter 2											
Coastal Management	NN2002	10	10	10	Final report issued 8 October 2019	Substantial	0	0	0	0	Dec-19
Section 106 Agreements	NN2004	10	10	10	Final report issued 12 November 2019	Reasonable	0	5	0	0	Dec-19
TOTAL		20	20	20							
Quarter 3											
Sheringham Leisure Centre (addition)	NN2018	0	5	3	Audit underway. Final report due 5 December 2019						
Accountancy Services	NN2005	16	16	8	Audit underway. Final report due 12 January 2020						
Accounts Receivable	NN2006	10	10	5	Audit underway. Final report due 3 January 2019						
Income	NN2007	7	7	2	Audit underway. Final report due 3 January 2019						
Planning Application and Development Management	NN2009	10	10	0	Audit due to start 10 December 2019						
TOTAL		43	48	18							
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	5	Audit underway. Final report due 11 December 2019						
GIS Application	NN2017	10	10	0							
TOTAL		30	30	5							
Follow Up											
Follow Up	NA	10	10	5							
TOTAL		10	10	5							
TOTAL		182	187	64			0	8	3	0	
Percentage of plan completed				34%							

Assurance Review of the Coastal Management Arrangements

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Total	0	0	0	0

No recommendations have been raised in respect of any area within the scope of this audit.

SCOPE

The Coastal Partnership East has been set up to manage the coast between Holkham and Landguard Point in Felixstowe and involves a number of local councils. Our review evaluated the effectiveness of partnership working to provide assurance that risks relating to individual coastal protection projects are being managed effectively. In particular, the audit considered project identification and initiation, project management, performance and evaluation, and management reporting.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Substantial' in managing the risks associated with the audit. The assurance opinion has been derived as a result of no recommendations being raised upon the conclusion of our work.
- A previous audit on coastal management was undertaken in 2015/16, covering strategy and governance, financial management and contract monitoring for coastal projects. The audit concluded in a 'Reasonable' assurance opinion, indicating a positive direction of travel in the level of control.

POSITIVE FINDINGS

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

- A comprehensive business case for the Sandscaping project was prepared and approved, to ensure that the project was justified prior to commencement.
- The Council obtained funding from the Bacton gas terminal operators, the Environment Agency, its own reserves and local sources, to ensure that the project was financially viable.
- The budget position is monitored on a monthly basis, with updates on expenditure and cost sharing provided to the steering committee, to ensure that all parties are aware of their financial commitments.
- Contractors involved in the project were appointed following an appropriate procurement process, to ensure that Council policies and statutory requirements were fulfilled.
- A project steering committee was set up and received monthly updates on progress with the project, to ensure effective decision making and prompt resolution of issues identified.
- A risk register for the project has been created and is regularly updated, to ensure that risks can be managed effectively.

THERE ARE NO ISSUES TO BE ADDRESSED

Previous audit recommendations

The previous audit report on Coastal Management (NN/15/01) was issued in August 2014, concluding in an 'adequate' assurance opinion (equivalent to 'reasonable' in the current scale). The scope of that audit was slightly difference, covering strategy and governance, financial management and contract monitoring for coastal projects. Two medium priority recommendations were raised in the report and both have been verified as complete as part of Internal Audit's follow up process.

Assurance Review of the Section 106 (S106) Agreements Arrangements

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Record keeping and monitoring	0	4	0	0
Expenditure	0	1	0	0
Total	0	5	0	0

No recommendations have been raised in relation to internal processes and involvement of other services.

SCOPE

A review of S106 Agreements, including the processes in place for managing and monitoring these key schemes, was completed as part of the agreed audit plan for 2019/20. The audit focused on the effectiveness and efficiency of the control environment, particularly in respect of record keeping and monitoring, expenditure, internal processes and involvement of other services.

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 five 'important' recommendations being raised upon the conclusion of our work.

POSITIVE FINDINGS

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

- A complete list of S106 agreements since 2009 has been produced, to ensure that the new system has a complete record from its implementation.
- All necessary consultations are conducted for new S106 agreements, with other Council departments and third parties, to ensure that the Council's interests are protected.

ISSUES TO BE ADDRESSED

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

Record keeping and monitoring

- A systematic process for recording and monitoring the obligations and triggers from S106 agreements is developed, to reduce the risk of these obligations not being identified when they fall due.
- Deadlines for spending S106 money are recorded and monitored against sums received by a designated officer, to reduce the risk of them being eligible to be repaid.
- The legal position for monies held and / or spent past the given deadline in the S106 agreements to be clarified, to reduce the risk of legal challenge from developers and potential repayment of monies no longer held.
- Parish and town councils be regularly informed of S106 monies that are available for use in their parish, so as to reduce the risk of such funds not being used as intended.

Expenditure

- A process for approving expenditure of S106 monies be agreed, to reduce the risk that monies are spent otherwise than in accordance with the agreement.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

- The most recent audit which included S106 agreements was an audit of Development Management (NN/15/03) which was completed in September 2014. Control issues in relation to S106 agreements were identified, although no new recommendations were raised. In the previous audit of Development Management in May 2011 (NN/11/12), two medium priority recommendations regarding S106 agreements were raised, of which one has been completed. There is one outstanding internal audit recommendation relating to S106 agreements, which was first raised in 2011. This relates to the assignment of responsibilities for monitoring and managing S106s. This outstanding recommendation links to the broader issues and the new recommendations raised within this report and it is intended that this recommendation will also be addressed through the implementation of the new S106 monitoring system.

Follow Up on Internal Audit Recommendations 1 April to 21 November 2019

Summary: This report provides an overview of progress made in implementing agreed audit recommendations due for completion between 1 April to 21 November 2019.

Conclusions: Good progress continues to be made in addressing audit recommendations with a high percentage of these being actioned by management.

Recommendations: It is recommended that the Committee notes management action taken to date regarding the delivery of audit recommendations.

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. In accordance with agreed internal audit review and reporting cycles, we revisit the status of audit recommendations on a 6-monthly basis and last presented our findings in this area to the Audit Committee in June 2019.
- 1.2. This report now seeks to provide an update on the status of audit recommendations following recent verification work performed by the Contractor, which examined the level of activity concerning the delivery of audit recommendations falling due between 1 April to 21 November 2019.

2. Overall Position

- 2.1. The overall position in relation to the implementation of Internal Audit Recommendations is within the attached report.

3. Conclusion

- 3.1 We recommend that officers now focus on completing recommendations raised during 2017/18 as these are now significantly overdue. As requested, the Committee continue to observe the progress made against completion of the one remaining important recommendation made during the 2010/11 review of Development Management, in relation to the Section 106 Arrangements.

4. Recommendation

- 4.1 It is recommended that the Committee notes management action taken to date regarding the delivery of audit recommendations.

Appendices attached to this report:

Follow Up Report on Internal Audit Recommendations

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Eastern Internal Audit Services



NORTH NORFOLK DISTRICT COUNCIL

Follow Up Report on Internal Audit Recommendations

Period Covered: 1 April 2019 to 21 November 2019

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

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1. INTRODUCTION

- 1.1 This report is being 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 establish a process to monitor and follow up management actions to ensure that they have been effectively implemented or that senior management have accepted the risk of not taking action. The frequency of reporting and the specific content are for the Authority to determine.
- 1.3 To comply with the above this report includes:
 - The status of agreed actions.

2. STATUS OF AGREED ACTIONS

- 2.1 As a result of audit recommendations, management agree action to ensure implementation within a specific timeframe and by a responsible officer. The management action subsequently taken is monitored by the Internal Audit Contractor on a regular basis and reported through to this Committee. Verification work is also undertaken for those recommendations that are reported as closed.
- 2.2 **Appendix 1** to this report shows the details of the progress made to date in relation to the implementation of the agreed recommendations. This appendix also reflects the year in which the audit was undertaken and identifies between outstanding recommendations that have previously been reported to this Committee and then those which have become outstanding this time round.
- 2.3 In relation to the historic recommendations (i.e. those prior to the 2016/17 financial year), there is one important recommendation from a 2010/11 review on Development Management. The most recent management response can be seen at **Appendix 2**.
- 2.4 In 2017/18 internal audit raised 50 recommendations; 44 of which have been implemented by the agreed date, six of which are outstanding (five important and four needs attention).

Number raised to date	50	
Complete	44	88%
Outstanding	6	12%

The management responses in relation to the three important recommendations can be seen at **Appendix 3** to the report. Responses in relation to Environmental Health and Waste Management recommendations have not been provided.

- 2.5 A total of 40 recommendations were raised during 2018/19. 27 have been completed. Six recommendations are now outstanding (three important, three needs attention).

Number raised to date	40	
Complete	27	68%
Outstanding	6	15%
Not yet due	7	17%

The management responses in relation to the three important recommendations can be seen at **Appendix 4** to the report. Responses in relation to Environmental Health have not been provided.

- 2.6 A total of six recommendations have been raised so far in 2019/20. Three have been completed. Three recommendations are now outstanding, (two important and one needs attention).

Number raised to date	6	
Complete	3	50%
Outstanding	3	50%

- 2.7 We recommend that officers now focus on completing recommendations raised during 2017/18 as these are now significantly overdue. As requested, the Committee continues to observe the progress made against completion of the one remaining important recommendation made during the 2010/11 review of Development Management, in relation to the Section 106 Arrangements. During our recent review of this area we have been unable to verify that this has been completed and it therefore continues to be monitored.

APPENDIX 1 – STATUS OF AGREED INTERNAL AUDIT RECOMMENDATIONS

			Completed bt 01/04/2019 to 21/11/2019			Previously reported to Committee as outstanding			(New) Outstanding			Total Outstanding	Not Yet Due for implementation		
			Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3	Priority 1	Priority 2	Priority 3		Priority 1	Priority 2	Priority 3
Audit Ref	Audit Area	Assurance Level													
2010/11 Internal Audit Reviews															
NN1112	Development Management, Building Control and Land Charges	Adequate					1					1			
2017/18 Internal Audit Reviews															
NN1803	Land Charges	Reasonable					1					1			
NN1807	Environmental Health	Reasonable					2	1				3			
NN1811	Car Parking	Reasonable		1	1							0			
NN1812	Beach Huts	Substantial			1							0			
NN1816	Procurement	Reasonable			1		1					1			
NN1817	Waste Management	Reasonable					1					1			
NN1818	Development Management	Reasonable										0			
2018/19 Internal Audit Reviews															
NN1905	Homelessness and Housing Options	Reasonable		1	1							0			2
NN1909	Network Infrastructure & Security	Reasonable			1							0			
NN1904	Pier Pavilion	Reasonable			3							0			
NN1906	Accounts Payable	Reasonable										0			2
NN1910	Corporate Governance	Substantial										0			2
NN1914	Environmental Health	Reasonable			1					2	3	0			
NN1908	Payroll and HR	Reasonable		2	4					1		0			1
2019/20 Internal Audit Reviews															
NN2008	Car Parking	Reasonable		1	2					2	1	0			
TOTALS			0	4	13	0	6	1	0	3	3	7	0	0	7

APPENDIX 2 - OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2010/2011

Audit Title	Recommendation	Priority	Management Response	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN1112 Development Management	Written guidance detailing the roles and responsibilities for monitoring the key requirements of Section 106 Planning Agreements should be produced to ensure appropriate action is taken to enforce the conditions contained therein. The guidance should be accompanied by a collated record of all Section 106 Planning Agreements, detailing the trigger points and accompanying obligations. This should include key responsibilities and contacts for the obligation and state action to be taken as and when those trigger points are reached. Where trigger points have been reached, action should be taken in a timely manner to enforce those conditions.	2	Agreed	Head of Planning	30/11/2011	31/03/2020	Outstanding	A complete list of S106 agreements has now been produced covering all agreements from the last ten years. This is being used as the current reference point and will form the basis of the data for when the new software system is introduced. Progress with the software remains as per previous update - it is expected that the new planning system, Uniform, will be installed in December 2019 and the S106 module, Exacom, will be added once Uniform is fully functional. This is expected to be in Q2 2020.

APPENDIX 3 – OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2017/18 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN1803 Land Charges	<p>Recommendation 1: Procedure notes be produced for all aspects of the local land charge service. These notes to be version controlled and reviewed on a regular basis.</p> <p>Rationale & risk: Ensuring procedure notes are in place and up to date for all aspects of the service will provide assurance to management that staff are following correct practices. This reduces the risk of errors being made within the process where staff follow incorrect practice, leading to reputational damage and financial loss for the Council.</p>	2	The service accept that the current procedural manual is incomplete and could be improved to include version control and recent changes that have occurred within the service.	Property Information Team Leader	31/12/2017	31/12/2019	Outstanding	The upgrade to the new system in planning, building control and land charges, has been delayed and is due for December 19, as per previous updates the service is planning to review and re-write procedure notes once new software is in place.
NN1807 Environmental Health	<p>Recommendation 1: All the Environmental Health procedures, policies and guidance, including those related to the scope of the audit, be reviewed and updated to ensure that current statutory and non-statutory requirements, where applicable, are included.</p> <p>Rationale and risk: The processes in the procedures may no longer be relevant as current statutory requirements and legislations may not be included in the procedures, policies and guidance. This may lead to non-compliance with the relevant statutes and legislations, errors and delays in processing licences and permits and inconsistent practice arising.</p>	2	The BPR and IT implementation are scheduled to continue until April 2018. Therefore, not all processes will have been completed within the timescale recommended. BPR will tackle the largest volume work first and so processes which deal with the most workload will be addressed first.	Head of EH	30/04/2018	31/03/2020	Outstanding	The BPR process is continuing on implementing the new IT system which is taking significantly longer than originally anticipated. New processes are being developed and reviewed with the separate teams of environmental health and once agreed the associated new procedure guides can be produced.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN1807 Environmental Health	Recommendation 2: A process for sharing data relevant to the Environmental Health Team which can be used for identifying businesses requiring licences be agreed with other Council departments including Planning and Revenues (CTAX/NNDR). Rationale and risk: The risk of businesses operating illegally which may harm the members of the public or the environment through unregulated activities carried out by the businesses.	2	Agreed.	Head of EH	31/01/2018	31/07/2019	Outstanding	No response provided.
NN1816 Procurement	Recommendation 4: A new Procurement Strategy be produced, approved and communicated to staff. Rationale and risk: Clear communication of a strategy will provide officers responsible for procurement with the most up to date guidance when procuring goods and services on behalf of the Council. This will also help to confirm that the Council complies with its regulatory responsibilities.	2	The current Procurement Strategy will be reviewed and updated in time for the new 2019/20 financial year.	Procurement Officer	31/03/2019	30/04/2020	Outstanding	As per previous update, the creation of the new procurement strategy is dependent on the new corporate plan which is currently being developed. It is anticipated that the corporate plan will be complete by December 2019, at which point work can begin on redrafting the procurement strategy.
NN1817 Waste Management	Recommendation 1: A review of M3 users is carried out and any accounts belonging to staff who have left the Council are deactivated. Future leavers should be deactivated when notification of their departure is received from HR. Rationale and risk: Promptly deactivating old user accounts will help manage systems access more effectively by ensuring only those requiring access actually have access. If users are not removed, especially from the administrators group, there is a risk of inappropriate changes being made using these accounts.	2	Agreed. Access Policy and Procedure to be written which covers granting access to new users and removal of leavers. This is being tied in to the implementation of the Assure System. In the meantime the Environmental Protection Manager is acting as the control point for all new user access.	Environmental Protection Manager	28/09/2018	31/07/2019	Outstanding	No response provided

APPENDIX 4 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2018/19 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN1914 Environmental Health	Recommendation 1: A Service Level Agreement (SLA) is agreed with VHT to define the terms under which VHT issues Community Protection Notices (CPNs) on the Council's behalf	2	Agreed	Environmental Protection Manager	30/05/2019		Outstanding	No response provided
NN1914 Environmental Health	Recommendation 2: An updated version of the licence register is published on the Council's website, using the method used prior to Assure implementation if necessary.	2	Agreed	Environmental Protection Manager	30/05/2019		Outstanding	No response provided
NN1908 Payroll	Recommendation 3: Managers be reminded regularly of the requirement to complete driver eligibility checks for all of their staff who drive on Council business.	2	Agreed	HR Manager	30/09/2019	31/03/2020	Outstanding	Reminders have been issued to managers through the HR Business Partners and to all staff via the intranet about ensuring driver eligibility and documents are up to date. The wording on travel claims has also been amended so that there is a regular reminder to managers to check driver eligibility when they authorise claims. The Council is also exploring options for introducing a different method of ensuring driver eligibility, such as a self-declaration. This work is more complex as it will require policy and system changes.

APPENDIX 5 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – 2019/20 AUDIT REVIEWS

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Latest Response
NN2008 Car Parking	Recommendation 1: Differences in monthly figures for mobile app payments be queried with BCKLWN to ascertain which set of figures are correct for the months April to August 2018 and ensure that there are no differences in other months	2	Agreed	Accountancy Assistant	30/09/2019	09/12/2019	Outstanding	This has been queried with BCKLWN but a response has not been received yet.
NN2008 Car Parking	Recommendation 2: The maintenance contract with Parkeon be reviewed to ensure that the Council is not paying for repairs which are included in the contract	2	Agreed	Leisure and Locality Services Manager	30/09/2019	09/12/2019	Outstanding	The details of what has is covered by the maintenance contract has been queried with the provider, Parkeon, but this has not been fully resolved yet.

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CIVIL CONTINGENCIES UPDATE

Summary

It has been a busy 12 months with contingency planning for three elections, EU Exit preparations and reporting, and an increase in reported incidents. There have been five business continuity incidents (listed below), of which two were significantly disruptive, and several external emergency planning incidents: Severe Weather x 2, Coastal Pollution x 2, Cliff Falls x 2, Sheringham Sinkhole and nine days' worth of High Tides resulting in Flood Alerts or Flood Warnings plus surface water flooding.

EU Exit Planning

The council is working with our partners in the Norfolk Resilience Forum to help plan for a no-deal exit from the European Union. Most of the planning is rated Official-Sensitive and can only be shared on a 'need to know basis' so cannot be included here.

The fortnightly Task and Finish group meetings morphed into weekly Strategic and Tactical Coordination Groups which then became the Multi-Agency Information Cell. The frequency of reporting has changed throughout the year but includes reports via the local resilience forum (which includes the emergency services and Health) into the Ministry of Housing, Communities and Local Government and also via the Local Government Association - which advocates specifically for local authorities whose role might otherwise be overlooked.

It is acknowledged that any other incidents, e.g. due to severe weather occurring at the same time as a no-deal EU exit, would stretch staff resources.

Business Continuity Incidents

- **Accessing Barclays issue for Finance, Dec 2018** – Both Barclays.net and their Contingency Payment Access (CPA) system were unavailable. Manual workarounds ensured that payments were made. Debrief held.
- **Fire Alarm due to Faulty Sensor, April 2019** – Little working time lost, debrief is being progressed by Corporate Health and Safety.
- **Media Response to Sand Martins Netting, April** – Significant impact on staff and councillors involved and reputation issue. Debrief held at the end of April. Action Plan still to be signed off.
- **IT Disruption, June** - Significant impact internally. Multiple debriefs held and Action Plan created.
- **Power outage, Sep** – UK Power Networks issue in Cromer. Little working time lost.

Business Continuity Plans

Under the Civil Contingencies Act 2004 local authorities are required to put in place their own business continuity management arrangements and to provide advice and assistance to businesses and voluntary organisations about business continuity management.

To ensure that NNDC complies with this statutory requirement the two-page, entry-level plan for businesses has been amended and trialled at a 'Coffee means business' networking event. There may be opportunities to deliver this via the Economic Growth Team in future.

After discussions with managers new, more user-friendly, templates have been developed in conjunction with three other district councils for the, now separate, Business Impact Analysis (BIA) and Business Continuity Plan documents.

The amended BIA has been piloted by the Finance Team, incorporating a new Impact Table (see Appendix 1). This uses the same service risk impact descriptions from the Risk Management Policy and Framework but also describes customer and reputational impacts. An impact score of 4 or 5 within a week would be considered NNDC-Critical. The Impact Table has been reviewed by the Risk Management Board.

The improved BIA will give the IT department a clearer picture of which systems are critical to different service areas at which times throughout the year. The BIA template will be introduced by the end of March 2020 together with appropriate support and challenge to ensure that all risks and interdependencies are understood. The Corporate Business Continuity Plan will then be revised based on the data from the Business Impact Analyses.

In view of the planned changes, managers have been asked to keep contacts information up to date in their business continuity plans, but not to complete a full review of them; this will be achieved by the introduction of the new BIA and BC plan documentation.

A Policy, Performance and Risk Review meeting is timetabled for 17 December to discuss additional performance monitoring measures on the Management Information System, InPhase.

Emergency Planning Incidents

- **High tides at the beginning of January** – There were several alerts and warnings affecting Bacton to Ostend, including Walcott. In Bacton one resident was evacuated from a caravan on the sea wall and there was minor damage to two caravans. There was positive feedback for the new drains, the pre-warnings received from NNDC and for the co-ordinated multi-agency response which received multi-media coverage.

At our request, the Environment Agency reviewed historic observations and meteorological data and adjusted the Flood Alert threshold at Walcott to take wind

direction into account. There is now a 20cm lower threshold for a Flood Alert when the wind is above Force 6 and from a northerly direction. This change has been welcomed by the local flood wardens.

The sandscaping scheme completed this summer is reducing the wave action at Bacton and Walcott. The EA is monitoring the effects closely but there is currently no intention to change the Flood Alert/Warning thresholds again.

A tabletop exercise was held the Coastguard 's base in Bacton in October to ensure that responding parties were clear on their roles and each other's operational capabilities during an evacuation and flood rescue scenario. Positive feedback has been received from this.

- **High tides at end of September** – Flood Alerts for Salthouse, Cley and Wells were upgraded to Flood Warnings in late evening. The rest centre at Wells was activated on 30 September ready for the morning tide. Since then we have worked with coastal communities, Flood Wardens and the Environment Agency to improve the wording of the Flood Warning messages.

This example of partnership working with the EA was tweeted as part of the Local Government Association's "Our Day" (#OurDay) campaign on 19 November 2019.

- **Sheringham Sinkhole** – There was a delay in NNDC being notified about this incident. Support was given to businesses by Economic Development and NNDC arranged for 30 mins free parking on the Morris Street car park to help support the town. A Multi-Agency debrief was held in Cromer on 24 June to identify lessons from the Sheringham Sinkhole response and Sheringham Town Council held their own debrief on 7 November.
- **Coastal Pollution** - There have been intermittent incidents of coastal pollution involving lumps of palm oil/paraffin wax deposits on several North Norfolk beaches this year. Our waste contractor, Kier, undertook additional patrols to remove the material when needed.
- **Cliff Falls** – Warning signs were put up at strategic access points following cliff falls at Sidestrand and Trimingham in June which also caused minor damage to sea defences.

Alison Sayer
Resilience Manager

Appendix 1 – Business Impact Analysis: Impact Table (a score of 4 or 5 within one week is considered NNDC-Critical)

Level Descriptor	1. Negligible	2. Minor	3. Moderate	4. Major	5. Extreme
Service Provision	No effect	Slightly reduced	Service reduced significantly – minor customer impact	Service suspended short term - significant customer impact	Service suspended long term or statutory duties not delivered - major customer impact
Health & Safety	Insignificant injury	Minor injury	Threat of violence or serious injury	Extensive or multiple injuries	Fatality or multiple major injuries
Financial Impact (Loss - Service level)	Loss of £0 - £10K	Loss of £10K - 75K	Loss of £75K - £300K	Loss of £300K - £500K	Loss greater than £500K
Performance against Objectives	Little or no effect on Council objective	Personal or team objectives not met	Significant impact on the success of the Service Business Plan	One or more Key Objectives in the Business Plan will not be achieved	The key objectives in the Business Plan will not be achieved
Reputation	Insignificant damage to reputation	Minimal negative coverage in local multimedia	Significant negative coverage in local multimedia	Significant negative coverage in national multimedia	Extensive negative coverage in national and international multimedia

CORPORATE RISK REGISTER

Summary: Following discussion at the last Governance, Risk and Audit Committee on 10 September 2019, an update paper has been provided in relation to the Corporate Risk Register (CRR). The last update to the Risk Management Policy and Framework was approved by the Governance, Risk and Audit Committee (GRAC) in March 2018. The documents are reviewed every two years with the next scheduled update due for March 2020. This policy sets the framework for the Council's Corporate Risk Register (CRR) which monitors and tracks the Council's most significant risks. This report is to provide Members with an update in relation to the Corporate Risk Register.

Conclusions: The changes which have been made to the register and those proposed for future action will help to improve the monitoring and ownership of the corporate risk register and the actions contained therein.

Recommendations: Members are asked to note the report, the improvements made and the proposed improvements to be considered as part of the update process for the CRR in March 2020.

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

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

1. Introduction

- 1.1 The last update to the Risk Management Policy and Framework was approved by the Governance, Risk and Audit Committee (GRAC) in March 2018. The documents are reviewed every two years with the next scheduled update due for March 2020.
- 1.2 This policy sets the framework for the Council's Corporate Risk Register (CRR) which monitors and tracks the Council's most significant risks. Responsibility for coordinating the CRR and the risk management framework currently rests with the Section 151 Officer in Finance.
- 1.3 Following governance improvements made earlier this year the CRR is now a standing item on the Strategic Leadership Team (SLT) agenda and is reported every quarter. It is also updated and considered for every GRAC meeting.
- 1.4 Following more detailed discussions around the register at the GRAC meeting back September this report has been produced to cover the immediate improvements made and to update Members as to the future changes proposed for consideration when the policy is update in March 2020.

2. Improvements

Removal of historic data

- 2.1 Some of the feedback received from the Committee related to the age of some of the actions taken. The actions section has therefore been reviewed and anything older than 12 months has now been archived.

Corporate Projects

- 2.2 The Council is involved in a number of ongoing projects across the organisation. Some of these are significant, such as the re-provision of the Splash facility, and some are much smaller service delivery improvement projects that require limited resources. Where these projects are significant, they will have their own individual risk register.
- 2.3 To improve the linkages between these individual registers and the main CRR a process has now been implemented whereby any risks identified as having a potentially 'high' impact are automatically flagged for inclusion on the CRR.
- 2.4 It should be noted however that this process is new and is still developing and it is not meant to reflect full coverage of all risks for every project, just where an element of a project might need highlighting at a strategic level within the CRR. The lower level risks will be covered within the individual risk registers for these schemes.
- 2.5 However as requested by the Committee these projects have now been allocated a separate header sheet with the detail following on immediately from this.
- 2.6 When the new InPhase performance management system is fully operational it will help to automate this process and make it more efficient, enabling access to the detailed risk registers for each project should this be required.

Corporate Plan Links

- 2.7 The new Corporate Plan was approved by Full Council in November and identifies six key themes where we would propose developing actions and allocating resources to respond to the challenges our district faces in the years to come as detailed below;
- Local Homes for Local Need
 - Boosting Business Sustainability and Growth
 - Climate, Coast and the Environment
 - Quality of Life
 - Customer Focus
 - Financial Sustainability
- 2.8 Planning for the future is challenging, especially given the broad range of services we provide, and the competing demands for increasingly scarce resources. All our services are committed to making improvements and finding savings, so that the Council remains efficient, effective and meets the day to day needs of the communities we serve.

- 2.9 The purpose of the Corporate Plan is to focus on those priorities where we need to give specific attention. It will help us target better our dwindling capital and revenue resources and help direct and focus any bids for external grant support. The Plan also provides a framework against which we can assess our progress to support the needs of our customers and communities.
- 2.10 The Delivery Plan, which will support the objectives contained within the Corporate Plan, is scheduled to be approved by Full Council in February 2020. This will detail how we will judge our performance; it will also be the means by which the Council agrees its improvement objectives. It will include the expected outcomes from each of the six key themes and be supported by a set of priority actions and measures through which the Council will undertake a self-assessment of the level of improvement made.
- 2.11 The Medium Term Financial Strategy (MTFS) has already been linked to the new Corporate Plan and this will be strengthened further next year once the Delivery plan has been developed. It will also be necessary to consider the CRR in light of this new strategic direction to understand any new and emerging risks or to remove any that are no longer relevant.
- 2.12 As outlined above the policy is due to be refreshed and updated in March so it is recommended that this realignment happens as part of that process.

Risk appetite and risk tolerance

- 2.13 Risk appetite is often described as the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives. Risk tolerance is the amount of risk an organisation could actually take, usually from a financial perspective, before services and objectives are significantly impacted. The two are linked, with most organisations having a risk appetite lower than their risk tolerance.
- 2.14 The Council will be required to make some difficult decisions in the short to medium term to help ensure that we are able to balance the budget given the current funding restrictions and uncertain financial climate. This will undoubtedly involve looking to potentially invest in new opportunities and to take a more commercial approach to our activities whilst also looking to drive social value.
- 2.15 When embarking on any such initiatives it will be important that the Council understands its risk appetite. No organisation can achieve its objectives without taking risks, but how much risk are we prepared to take? Defining and setting our risk appetite will establish clear parameters within which the organisation can work and succeed. Again it is recommended that this work is progressed alongside the policy update in March.

3. Conclusion

- 3.1 The Improvements outlined above will help both officers and Members to monitor and track any outstanding actions designed to help mitigate and manage the various corporate risks.
- 3.2 The linkages between the CRR and the new Corporate Plan will help to ensure alignment with the new corporate priorities.

3.3 Better understanding our risk appetite as a Council will help to ensure that we establish clear parameters within which the organisation can work and succeed.

4. Recommendations

4.1 Members are asked to note the report, the improvements made and the proposed improvements to be considered as part of the update process for the CRR in March 2020.

Corporate Risk Register November 2019

Summary Register

Risk	Ref.	Current Score	Target Score	Direction of Travel		Risk Owner
Coastal Erosion - (the effects of)	002(CR)	12	12	↓	😊	Rob Goodliffe - Coastal Management Team Leader
Recruitment (inability)	024(CR)	12	9	↓	😊	Sally Morgan – Human Resources Manager
Digital Transformation Programme	003(CR)	12	8	↔	😐	Nick Baker – Corporate Director & Head of Paid Service
Medium Term Financial Plan	015(CR)	12	12	↓	😊	Duncan Ellis - Head of Finance & Assets
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)
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 Q2 2019/20 to Q3 2019/20.

Corporate Risk Register November 2019

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

Corporate Risk Register November 2019

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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Corporate Risk Register November 2019

<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>	<p>Policy work</p> <p>Lobbying Central Government</p> <p>Medium Term Financial Strategy (MTFS)</p> <p>Corporate Planning / Service Planning</p> <p>Budget Process / Budget Monitoring</p> <p>Regular monitoring system of the impact of the business rates retention and the localised council tax support system</p> <p>Utilisation of the New Homes Bonus grant within the base budget for 2018/19 onwards</p> <p>Annual review of the Council's reserves</p> <p>Reporting - New legislation and consultation</p> <p>Timely agreement of the annual Localised Council Tax Support Scheme</p> <p>Project Management Plans</p> <p>Balanced 2019/20 budget agreed 27 March 2019</p>	<p>4x3=12</p>	<p>New leisure contract now operating (April 2019). Savings used to help finance rebuilding of the leisure facilities in Sheringham.</p> <p>Balanced 2019/20 budget agreed 27 Feb 2019.</p> <p>Waste procurement results to be included as part of the 2020/21 budget setting process once known.</p> <p>Business case template to be produced to help standardise assessment and reporting procedures. To be linked in to the Project Management Framework.</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>NHS appeal heard re business rates (4 Nov 2019) decision deferred for 3 months, announcement expected Feb 2020. Current financial impact estimates (if case is lost) are around £6m for the county as a whole, with potentially around £1.2m of this to be borne by NNDC. However, the pool contains a £1m 'volatility fund' and the Council also has the Business Rates Reserve which</p>	<p>DE</p> <p>DE</p> <p>DE</p> <p>DE</p> <p>DE/LH</p> <p>DE/LH</p>	<p>Feb 2019 (complete)</p> <p>Feb 2019 (complete)</p> <p>Feb 2020</p> <p>March 2020</p> <p>Ongoing</p> <p>Ongoing</p>	<p>4x3=12</p>	<p>Duncan Ellis - Head of Finance & Assets</p>
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		<p>holds a further £2.4m to help mitigate against impact. Norfolk leaders have also provisionally allocated funds to the Business Rates Pool fund projects, but not authorised any expenditure from the 2018/19 round until further updates on the court case are available, providing a further £5m contingency which, together with the Volatility fund, should mitigate most of the costs if the case is lost.</p> <p>Medium Term Financial Strategy (MTFS) updated. Key changes within Settlement, mainly around business rates, New Homes bonus and the Rural Service Delivery grant, will see c.£2.5m of additional resources to help support next year's budget. Subject to final agreement in December/January so there is still risk around these figures. Still currently projecting a deficit from 2021/22 onwards but due to the funding changes announced the budget gap has reduced to around £1m although this estimate will not be finalised until the 2020/21 budget is set in February 2020.</p> <p>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/contract costs.</p>	<p>DE</p> <p>DE</p>	<p>Complete (Dec 2019)</p> <p>Ongoing</p>		
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Corporate Risk Register November 2019

<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>4x3=12</p>	<p>Bacton and Walcott coastal management scheme (Sandscaping) is now largely complete. Monitoring of the impact and success of the scheme to continue over the coming years. 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>LH</p> <p>RG /TP</p> <p>RG</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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Corporate Risk Register November 2019

<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. The key to this work needs to be refocussed on 'putting our customers at the heart of everything we do'. This will undoubtedly still lead to further efficiencies and potential cashable savings but the direction of travel should be to improve our services for our customers first and foremost because that's the right thing to do. It will also mean that staff can spend longer prioritising 'added value activities' rather than getting bogged down with inefficient paper based processes. At the present time the future savings have been removed from the budget until we have a clear delivery plan.</p>	<p>SK</p> <p>SK</p> <p>SK</p>	<p>December 19 (not yet due)</p> <p>March 20 (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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Corporate Risk Register November 2019

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
Recruitment (inability) – 024(CR) 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. 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.	Pay Policy has been updated to reflect Golden Hello's' and retention payments Relocation Policy Employee Referral Scheme Market Pay Review report Apprenticeship programme	4x3=12	The Council has a long history of 'growing our own' particularly in Planning and Environmental Health where employees are supported through their professional qualifications. 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. 'People Strategy' currently under development to consider the recommendations contained within the recent Investors in People assessment.	SM Ongoing JH Ongoing SM April 2020 (not yet due) SM April 2020 (not yet due)	3x3=9	Sally Morgan – Human Resources Manager

Corporate Risk Register November 2019

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>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 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 damaging to local communities contributing to a lack of community pride and possible increase in vandalism. The capital tied up in assets cannot be released to support wider Council initiatives and income streams are not maximised.</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 improvements and commercialisation</p>	<p>3x3=9</p>	<p>Controlled risk.</p> <p>Rolling asset condition surveys continue to be undertaken to ensure that the R&M schedules remain up to date and new contract let.</p> <p>The Council has completed tenant negotiations for Grove Lane in Holt, improvement works complete.</p> <p>£600k programme of public convenience works agreed plus £1.1m works to Cromer pier.</p> <p>Asset Management Plan (AMP) to be updated to reflect new Corporate Plan</p>	<p>RG</p> <p>RG</p> <p>RT</p> <p>RG</p>	<p>Dec 19 (complete)</p> <p>May 19 (complete)</p> <p>March 20 (ongoing)</p> <p>Dec 20 (not yet due)</p>	<p>3x3=9</p>	<p>Duncan Ellis – Head of Finance & Assets</p>

Corporate Risk Register November 2019

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
<p>Procurement - (lack of value for money) - 009(CR)</p> <p>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.</p> <p>2. Failure to adopt new procurement practices and delivery efficient and timely procurement processes could mean that the Council will not achieve value for money procuring the goods and services it uses.</p> <p>3. The Council may not achieve value for money, financial/procedural inefficiencies possible challenge to contracting procedures.</p>	<p>Procurement Strategy</p> <p>Procurement Framework</p> <p>Joint procurement protocol and opportunities for joint/shared procurement with other authorities where possible</p> <p>Advice for external suppliers</p> <p>Procurement Officer post established</p>	<p>3x3=9</p>	<p>Regular procurement refresh and review of procedures. Procurement Strategy due to be updated during 2019. Review of Contract Standing Orders complete.</p> <p>Splash re-build procurement completed. Scheme progressing, regular project updates to O&S.</p> <p>Waste procurement - joint waste procurement underway. Two bids received, final assessment currently underway, contract award expected to be made by Cabinet on 6 December 2019.</p>	<p>DB</p> <p>RY</p> <p>SH</p>	<p>Dec 19 (not yet due)</p> <p>Dec 19 (complete)</p> <p>April 20 (not yet due)</p>	<p>3x1=3</p>	<p>Duncan Ellis – Head of Finance & Assets</p>

Corporate Risk Register November 2019

<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>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>SM</p> <p>SK</p> <p>NB</p> <p>NB</p>	<p>Dec 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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Corporate Risk Register November 2019

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>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>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. Homelessness & Rough Sleeping Strategy 2019/24 to go to committee in December</p>	<p></p> <p>SB</p> <p>Tbc</p> <p>ND / GC</p> <p>ND / GC</p> <p>ND / GC</p> <p>RG</p> <p>LG</p>	<p></p> <p>Dec 19 (not yet due)</p> <p>TBC</p> <p>March 20 (ongoing)</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>

Corporate Risk Register November 2019

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>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> a) Loss of staff for 'usual' service delivery b) Loss of premises c) Loss of key partners/suppliers d) Loss of infrastructure services </p> <p>A 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. New waste contract with new supplier due to commence from April 2020.</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. Update report presented to Full Council in September.</p>	<p>AS</p> <p>SH</p> <p>AS</p> <p>SK /AS</p>	<p>Dec 18 (complete)</p> <p>March 20 (ongoing)</p> <p>March 19 (complete)</p> <p>September 19 (complete)</p>	<p>3x2=6</p>	<p>Alison Sayer - Resilience Manager,</p> <p>Steve Hems - Head of Environmental Health</p>

Corporate Risk Register November 2019

Risk	Ref.	Current Score	Target Score	Direction of Travel		Risk Owner
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)
Splash re-provision		12	12	↓	😊	Rob Young – Head of Community & Economic Development
Corporate Projects Resource	NEW	12	8	↔	😐	Emma Duncan - Head of Legal
Cromer Tennis Hub		12	6	↔	😐	Emma Duncan - Head of Legal

Corporate Risk Register November 2019

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 owner	Target score Impact x Likelihood = Total	Risk owner
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Corporate Risk Register November 2019

<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><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><i>These will be specific and relate to the project in question.</i></p>				
<p>Sheringham Leisure Centre</p>	<p>Business plan signed off by Full Council Capital budget approved Sport England Funding application submitted</p>	<p>4 x 3 = 12</p>	<p>Key issues;</p> <p>Budget increase subsequently agreed by Full Council on 24 July 2019.</p> <p>Unexpected gas main identified on site to be re-routed. Current estimated cost c£15k to initially be covered by contingency (£200k construction, £75k client) while investigating potential claims.</p> <p>Regular updates being provided to O&S.</p> <p>£1m Sport England grant approved Nov 2019.</p> <p>Audit currently reviewing scheme with a view to making process improvements</p>	<p>RY/ DE</p>	<p>July 19 (not yet due)</p>	<p>4 x 3 = 12</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>Project management framework and governance arrangements Project management staff Use of external contractors Project management plans</p>	<p>4 x 3 = 12</p>	<p>Discussion paper presented to Corporate Leadership Team (CLT) covering proposed project governance improvements.</p>	<p>ED</p>	<p>June 2019 (complete)</p>	<p>4 x 2 = 8</p>	<p>NB</p>

Corporate Risk Register November 2019

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
2. Ensure projects are aligned to the Council's new emerging Corporate Plan			Development of project 'sieve' to help objectively assess and score corporate projects against the core themes within the new Corporate Plan. Internal audit review of project governance completed July 2019. Final report recommendations presented to the GRAC meeting on 10 September 2019.	ED ED	September 2019 (ongoing) July 2019 (complete)		
Cromer tennis hub	Scheme no longer progressing and works ceased.	3 x 4 = 12	Work ongoing by legal to cancel all outstanding contracts	ED	Ongoing	2 x 3 = 6	

Note: The Corporate Projects section of the register it is not meant to reflect full coverage of all risks for every project, just where an element of a project might need highlighting at a strategic level within the CRR. The lower level risks will be covered within the individual risk registers for these schemes.

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)

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GOVERNANCE, RISK & AUDIT COMMITTEE ON 10th SEPTEMBER 2019 - ACTIONS ARISING FROM THE MINUTES

Minute No.	Agenda item and action	Action By
17.	PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY: 1 APRIL 2019 TO 29 AUGUST 2019	
	<p>RESOLVED</p> <ol style="list-style-type: none"> 1. That the future project boards should give consideration to the use of the agile methodology for the management of IT projects. 2. That Internal Audit undertake an audit of the Egmore Enterprise Zone and Sheringham Splash projects. 	<p>Project Delivery Unit – N/A</p> <p>Internal Audit Timeframe TBC</p>
18.	CORPORATE RISK REGISTER	
	<p>RESOLVED</p> <p>That a review of the content of the CRR be undertaken by the Section 151 Officer, and that corporate projects be presented individually on the summary register.</p>	<p>Section 151 Officer September 2019</p>
19.	ANNUAL ACCOUNTS UPDATE	
	<p>RESOLVED</p> <p>That the Chairman of the Audit Committee and the Section 151 Officer be given delegated authority to sign-off the Annual Statement of Accounts once the external audit is complete.</p>	<p>GRAC Chairman/Section 151 Officer Timeframe TBC</p>

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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		3 years – Due 2021
	Civil Contingencies Update	Resilience Manager – Alison Sayer		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

By virtue of paragraph(s) 3, 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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