

Eastern Internal Audit Services



North Norfolk District Council

Progress Report on Internal Audit Activity

Period Covered: 26 February 2022 to 6 June 2022

Responsible Officer: Faye Haywood – Head of Internal Audit 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 audits; and
 - Performance to date.

2. SIGNIFICANT CHANGES TO THE APPROVED INTERNAL AUDIT PLAN

- 2.1 Since the Internal Audit Plan approval of 15th June 2021, there have been two significant changes. The audit of NN2211 Economic Growth has been deferred to the 2022-23 plan at the request of management to allow for more time to progress the preparation of a new strategy incorporating lessons from the impact of Covid-19 and due to delays faced from administering grants.
- 2.2 In addition to this, the Information Management audit has also been deferred to the 2022-23 plan as internal audit scoping did not identify any significant risks in this area. The plan overall has been reduced by 20 days as a result of these changes.

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**.
- 3.2 In summary 150 days of programmed work has now been completed, equating to 100% of the Internal Audit Plan for 2021/22. One internal audit for Environmental Charter is complete and has been issued in draft, we are currently awaiting management responses to finalise the report.

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, four Internal Audit reports have been finalised, and one has been issued in draft.

Audit	Assurance	P1	P2	P3
Counter Fraud and Corruption	Limited	2	4	3
Waste Management	Reasonable	0	3	2
Change Control and Patch Management	Reasonable	0	2	3
Key Controls and Assurance	Reasonable	0	4	0
Environmental Charter (DRAFT)	Reasonable	0	2	3

The Executive Summaries of these reports are attached at **Appendix 2**, full copies can be requested by Members.

- 4.5 As can be seen in the table above as a result of these audits 28 recommendations have been raised and agreed by management.
- 4.6 In addition, three operational effectiveness matters have been raised for management consideration.

5. PERFORMANCE MEASURES

- 5.1 The Internal Audit Services contract includes a suite of key performance measures against which TIAA is 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 TIAA and agreed with the Internal Audit Manager to ensure that appropriate action is taken.

- 5.3 The 2021/22 Internal Audit Plan has now been delivered, with one audit yet to be formally finalised. An annual overview of KPI performance for 2021/22 is provided within the Annual Internal Audit Opinion 2021/22 report.

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 2											
Performance Management, Corporate Policy and Business Planning	NN2203	10	10	10	Final report issued on 11 October 2021.	Reasonable	0	0	4	0	December 2021
Counter Fraud and Corruption	NN2204	8	8	8	Final report issued on 24 March 2022.	Limited	2	4	3	0	June 2022
Income	NN2208	7	7	7	Final report issued on 4 October 2021.	Reasonable	0	2	1	1	December 2021
COVID-19 Business Grants	NN2209	8	8	8	Final report issued on 14 February 2022.	Reasonable	0	4	0	0	March 2022
Environmental Health	NN2214	12	12	12	Final report issued on 17 January 2022.	Reasonable	0	3	2	0	March 2022
TOTAL		45	45	45							
Quarter 3											
Annual Governance Statement	NN2201	8	8	8	Final report issued on 9 February 2022.	Reasonable	0	1	3	4	March 2022
Project Management Framework	NN2205	8	8	8	Final report issued on 8 February 2022.	Reasonable	0	4	7	0	March 2022
Accountancy Services	NN2206	16	16	16	Final report issued on 23 February 2022.	Substantial	0	0	1	0	March 2022
Accounts Receivable	NN2207	10	10	10	Final report issued on 22 December 2021.	Substantial	0	0	2	0	March 2022
Customer Services	NN2210	10	10	10	Final report issued on 27 January 2022.	Substantial	0	0	3	1	March 2022
TOTAL		52	52	52							
Quarter 4											
Key Controls and Assurance	NN2201	15	15	15	Final report issued on 23 May 2022.	Reasonable	0	4	0	0	June 2022
Waste Management	NN2213	10	10	10	Final report issued on 16 May 2022.	Reasonable	0	3	2	0	June 2022
Economic Growth	NN2211	10	0	0	Deferred to 2022-23.						
Environmental Charter	NN2212	8	8	8	Draft report issued on 23 May 2022.	Reasonable	0	2	3	2	June 2022
TOTAL		43	33	33							
IT Audits											
Information Management	NN2015	10	0	0.5	Deferred						
Change Control and Patch Management	NN2016	10	10	10	Final report issued on 3 May 2022.	Reasonable	0	2	3	1	June 2022
TOTAL		20	10	10.5							
Follow Up											
Follow Up	N/A	10	10	10							
TOTAL		10	10	10							
TOTAL		170	150	150.5			2	29	34	9	
Percentage of plan completed				100%							

APPENDIX 2 – AUDIT REPORT EXECUTIVE SUMMARIES

Assurance Review of NN2204 Counter Fraud and Corruption

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Counter Fraud and Corruption	2	4	3	0

SCOPE

The latest Fighting Fraud and Corruption Strategy has highlighted an increasing threat of fraud related risks for local authorities. Our review examined the Council's approach to fraud in line with the checklist provided as part of this new strategy and suggest practical recommendations for improvement where required. This review was carried out consortium wide to examine areas of best practice. The checklist is divided into five areas: Govern, Acknowledge, Prevent, Protect, Pursue.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Limited Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'urgent', four 'important' and three 'needs attention' 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:

- There are arrangements in place to promote probity and propriety in the conduct of the Council's business, including the Constitution, Local Code of Corporate Governance and Codes of Conduct.
- A new Code of Conduct, based on a Local Government Association model, was adopted in July 2021. There is a process in place for declaring interests at committee meetings to ensure that all relevant interests are identified and managed appropriately.
- A register of gifts and hospitality is maintained by the Monitoring Officer and reported to Governance, Risk and Audit Committee annually.
- Up to date policies for Whistleblowing and Counter Fraud, Corruption and Bribery are in place and have been approved by Members.
- Data sharing is used to prevent and detect fraud. This includes sharing between departments within the Council and sharing with third parties, such as through the National Fraud Initiative.
- Weaknesses identified through fraud investigations are fed back to departments, with recommendations to address them.

ISSUES TO BE ADDRESSED

The audit highlighted the following areas where two 'urgent' recommendations have been made.

Counter Fraud and Corruption

- An assessment of fraud and corruption risks be undertaken, with Members informed of the outcomes and an action plan put in place to respond to the risks identified.

- A review of the resources required for counter fraud work be undertaken.

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

Counter Fraud and Corruption

- An annual report be presented to Governance, Risk and Audit Committee on the Council's progress in combating fraud risks.
- Training sessions for counter fraud and corruption to be rolled out across the Council. Records for training sessions to be formally recorded and monitored.
- A programme of work be introduced to improve the counter fraud culture within the Council.
- An annual action plan to carry out all required counter fraud work be put in place and agreed by committee.

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

Counter Fraud and Corruption

- Fraud risks be considered as part of the process for creating new policies, strategies and initiatives across the Council.
- The Council registers with Government Counter Fraud Profession Knowledge Hub the Fighting Fraud and Corruption Locally regional network.
- The Council's Counter Fraud, Corruption and Bribery Strategy to be revised, to include the Council's tolerance to fraud and corruption.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

This area has not been subject to previous internal audit review, so there are previous recommendations.

Assurance Review of NN2213 Waste Management

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Contract monitoring	0	2	1	0
Gap analysis	0	1	0	0
Performance and risk	0	0	1	0
Total	0	3	2	0

No recommendations have been raised in respect of contract change notices or payment mechanism.

SCOPE

The Council has entered into a joint waste management contract with Breckland Council and Borough Council of Kings Lynn and West Norfolk. The joint review was to provide assurance that the governance and performance arrangements being used to monitor the contract are effective.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable' in managing the risks associated with the audit. The assurance opinion has been derived as a result of three 'important' and two 'needs attention' recommendations being raised upon the conclusion of our work.
- The assurance opinion and the recommendations raised in this report relate to the Council's management of the contract, rather than the contractor's performance in delivering the services.
- The previous audit of Waste Management (NN/18/17) was completed in May 2018 and also concluded in a 'Reasonable' assurance opinion, although this was under a different contract and therefore the findings are not directly comparable with this audit.

POSITIVE FINDINGS

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

- A comprehensive contract is in place, consisting of the documents issued by the Councils and Serco's submissions, to ensure that all parties understand the requirements of the services.
- Contract change notices have been used as required and are formally agreed, to ensure that the contract reflects the needs of the Council.
- Data used for billing is provided by Serco and reviewed by the Council prior to invoices being raised. The data is queried and challenged as necessary before being agreed, to ensure that the Council is paying the correct amount in accordance with the contract.
- The Council is using the platforms and mechanisms available within the contract, such as meetings and performance reports, to raise issues and hold the contractor to account, to ensure that all aspects of the service are being delivered.

ISSUES TO BE ADDRESSED

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

Contract monitoring

- Review and update the Inter Authority Agreement to ensure that it is clear in terms of managing relations between all three member Authorities to reflect the operational status of the contract. In particular, this should include agreement on the principles which underpin how the contract should be managed for the benefit of all of the Councils, and on mechanisms for resolving disagreements between the Authorities if they arise.

- Ensure Obtain regular assurances that Serco complies fully with its complaints procedure and that there is audit trail to evidence this. Any non-compliances should be formally raised through the Operational Board meeting. A quarterly report should be made to the Contract Management Board by Serco along with details of corrective action taken.

Gap analysis

- A gap analysis has been undertaken by the Council to identify differences between the services agreed in the contract and those currently being delivered. Once the outcomes of the gap analysis have been agreed, an action plan to be put in place and be monitored regularly to ensure that outstanding items are fully resolved.

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

Contract monitoring

- To liaise with Serco over the content of the daily reports, to ensure that the information in the reports provides the Council with sufficient information to be able to monitor the effective delivery of the service as specified in the contract.

Performance and risk

- Review the risks associated with the contract and ensure that they are being adequately recorded and reported on within the Council.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Previous audit recommendations

The previous audit of Waste Management (NN/18/17) was completed in May 2018 and also concluded in a 'Reasonable' assurance opinion, with one 'important' and one 'needs attention' recommendations being raised. These recommendations have been confirmed as implemented.

Other points noted

- There have been delays and challenges with the contract mobilisation throughout the first two years of the contract, which are in part attributable to changes in the operating environment since the contract was procured. The contract for North Norfolk District Council commenced in April 2020, coinciding with the outbreak of Covid-19 in the UK. This required changes to operating arrangements, but Serco continued to provide the full service throughout the year. Continuing into 2021/22, the Covid-19 pandemic has led to increased staff absence, while the volume of domestic waste to collect has increased as a result of changes in people's behaviour such as increased working from home. Serco have also experienced difficulties in recruitment, particularly of HGV drivers, which is linked to the UK leaving the European Union.
- As a result of the issues noted above, Serco have been unable to implement the 'Target Operating Model' that was proposed in their tender submission. A new 'Target Operating Model', the key element of which is a revision to collection rounds, has been agreed by the Council and will be implemented in March 2022.

It is expected that this will lead to more efficient waste collections, with a consequent reduction in complaints, and will free up capacity for Serco to focus on delivering other aspects of the service.

- The Council makes two types of payment under the contract on a monthly basis: a fixed base payment and a variable payment. The variable bill consists of two elements, costs to the Council based on volumes of certain elements and deductions for 'performance failures'. As of February 2022, Serco has provided the volume data and performance data up to October 2021. The volumes have been agreed by the Council, albeit with provisional figures for garden waste and bulky waste, but the performance data has not been agreed, so no variable invoices have been received or paid to date. Based on the data provided, the variable cost to the Council for the period April to October 2021 is £664k, of which the majority consists of garden waste collections (£271k), commercial waste collections (£164k) and emptying litter/dog bins (£146k). The value of 'performance failure deductions', which are deducted from the variable cost, accrued in the same period is £850k, although there are restrictions and discretion over how of these will apply.

Assurance Review of NN2216 ICT Change Control and Patch Management

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Change Management Policies and Procedures	0	1	1	0
Change Management - Evaluate, Prioritise and Authorise Change Requests	0	3	0	0
Change management – Track and report Change Status	0	1	0	1
Patch Management Policies and Procedures	0	0	2	0
Total	0	2	3	1

SCOPE

This area has not been reviewed at the Council before and will provide assurance that security/performance patches and any system changes are approved and executed in line with an appropriate policy.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'Important' and three 'Needs Attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised one 'Operational Effectiveness Matter', which sets 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.

POSITIVE FINDINGS

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

- Change requests received are being categorised into specific areas of configuration.
- Emergency changes have been clearly defined
- A documented procedure exists to process any changes defined as an emergency
- All emergency access requests are now formally documented through the ManageEngine module providing a history of changes processed.
- Change requests status reports are available from within the change management module
- Progress reports on progress and status of changes are available.
- A history of changes and the requirement for the change is retained within the change management module.
- A full history of changes is currently retained.
- Change requests are supported by appropriate detail.
- There are automated processes in place to check for vulnerabilities which are rectified promptly.
- Emergency patches are applied as required.
- Patch deployment is monitored and non-compliant devices can be followed up to resolve issues occurring.

ISSUES TO BE ADDRESSED

The audit has highlighted the following areas where two 'Important' recommendations have been made.

Change Management Policies and Procedures

- A formally agreed policy provides assurance that there is a standardised approach to change management.

Change Management - Evaluate, Prioritise and Authorise Change Requests

- All change requests received need to be recorded within the ManageEngine change management application to help with resource management and change tracking.

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

Change Management Policies and Procedures

- The change management policy should be reviewed on a regular basis to ensure that it reflects current and agreed working practices.

Patch Management Policies and Procedures

- The Patch Management policy need to be updated into a formalised policy and be subject to regular review to ensure it reflects currently agreed working practices.
- Roles and Responsibilities need to be recorded within the Change and the Patch Management policies ensuring that it clearly identifies the role or roles responsible for specific tasks.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

- Consideration to be given to the development of formal Change and Patch Management Key Performance Indicators (KPIs) to facilitate performance monitoring against business objectives.

Assurance Review of NN2202 Key Controls

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Council Tax and NNDR	0	2	0	0
Car Park Income	0	1	0	0
Cash Income and Receipt (Remittances)	0	1	0	0
Total	0	4	0	0

*No recommendation was made for Accounts Payable, Payroll and Housing Benefits.

** The asset reconciliation for the year 2020/21 was not tested during the review (refer to 'Rational' below)

SCOPE

The objective of the audit was to review the key controls operating within the systems and controls identified, to help confirm that these are operating adequately, effectively and efficiently.

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 four 'important' recommendations being raised upon the conclusion of our work.
- The previous audit report (NN/21/08), issued in May 2021, and concluded in a 'Reasonable' assurance opinion, having raised four 'important' recommendations. This therefore indicates that the overall level of control/assurance remains unchanged.

KEY FINDINGS

Key Controls Testing

There are a number of key controls within the fundamental financial systems that are required to be covered by internal audit each year, in order to support the Annual Governance Statement (AGS) and the Head of Internal Audit's Annual Report and Opinion.

Under the agreed internal audit plan for 2021/22 a number of these material systems have been reported on in detail and those key controls have been addressed in each system reviewed. Recommendations have been raised in these individual audit reports. The areas this applies to are:

- Accounts Receivable (NN/22/07);
- Accountancy Services (general ledger, control accounts, asset management, treasury management and budgetary control) (NN/22/06); and
- Income (NN/22/08)

In addition, the key controls in the material systems that were not covered as part of the agreed internal audit plan for 2021/22 have been reviewed as part of this audit. The areas to which this applies are:

- Accounts Payable;
- Payroll;
- Housing Benefit and Council Tax Support;

- Council Tax and National Non-Domestic Rates and
- Car park income.

During the internal audit of the above areas within this review, the audit has highlighted the following areas where four 'important' recommendations have been made:

Council tax and NNDR

- The Council tax and NNDR daily reconciliations, be updated, independently reviewed and completed regularly thereafter.
- The Monthly reconciliation of Council Tax and NNDR Cash income per CIVICA to the general ledger balances, be prepared promptly after month end.

Car Park Income

- The Council to arrange with the Borough Council of Kings Lynn & West Norfolk to independently reconcile the Penalty Charge Notices (PCN) income collected on behalf of the Council on a regular basis, to ensure that all income collected on behalf of the Council (North Norfolk) is actually received.

Cash Income and Receipt (Remittances)

- All monthly bank reconciliations to be completed and reviewed promptly at the end of each month.

Operational Effectiveness Matters

There are no operational effectiveness matters for management to consider.

Other points to note

The Council reconciles its asset register on an annual basis after year-end. As such, due to timing of the audit, it was not possible to verify reconciliation of the asset register for 2021/22, nor has it been possible to review the reconciliation for 2020/21, either as part of this review or in the review of NN/22/06 Accountancy Services, due to formatting issues with the asset register.

The Council (Accountancy) post journals with a value of less than £100k to the ledger without independent authorisation. The Council is happy to continue to accept the risk associated with this 'policy'.

We therefore acknowledge the approach taken by the Council.

Budgetary Control – Budget monitoring meetings with managers were not held for periods three, five and seven as the Accountancy team were heavily involved with preparing the Outturn reports for 2020/21 and had started the Zero-Based Budgeting process for 2022/23. However, a meeting was held with the managers to discuss both period four and period six reports, a recommendation has therefore not been raised.

Previous audit recommendations

Three important recommendations were raised in the previous audit of Key Controls (NN/21/08). Two in respect of treasury management reconciliations and management of aged debt recovery, had been confirmed as implemented through cyclical follow up checks. The third recommendation for monthly bank reconciliations to be completed promptly after month end, which had been previously confirmed as implemented, has been raised again in this report.

DRAFT Assurance Review of the NN2212 Environmental Charter

Executive Summary

OVERALL ASSURANCE ASSESSMENT



ACTION POINTS

Control Area	Urgent	Important	Needs Attention	Operational
Charter development	0	0	0	1
Project / objective monitoring; financial and non-financial	0	2	2	1
Management and Member reporting of progress	0	0	1	0
Total	0	2	3	2

SCOPE

A key strategic theme for North Norfolk DC (NNDC) is Climate Coast and the Environment. An Environmental Charter has been developed and a series of targets and objectives agreed. This audit evaluated the progress against the targets and provides assurance on the reliability of data to demonstrate performance in this area.

RATIONALE

- The systems and processes of internal control are, overall, deemed 'Reasonable Assurance' in managing the risks associated with the audit. The assurance opinion has been derived as a result of two 'important' and three 'needs attention' recommendations being raised upon the conclusion of our work.
- The audit has also raised two 'operational effectiveness matters', which sets 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.
- This area has not been subject to previous audit scrutiny, hence no direction of travel is applicable.

POSITIVE FINDINGS

We found that the Council has demonstrated the following points of good practice as identified in this review and we will be sharing details of these operational provisions with other member authorities in the Consortium:

- The Council has produced an Environmental Charter that states the Council's commitment to achieving net-zero carbon emissions by 2030 and details how it will use its own resources wisely to set a direction through its own actions, working with partners and influencing others. This is in keeping with the key strategic theme for the Council of Climate, Coast and the Environment.
- The Environmental Charter is supported by the Net Zero Strategy and Action Plan (NZSAP) which is a well detailed and well-structured document that has been developed with significant resource, investment and quality. Audit fieldwork has identified areas for improvement, but the general assessment of the Strategy and Plan is a successful achievement. Further, the Environmental Charter is easy to read, visually appealing, well formatted for viewers, the objectives are clearly defined and set out adequately.
- The Council engaged 'Net Zero East', an independent consultancy practitioner, to assist in gathering intelligence used to collate and produce the Charter. This is in addition to appointing a Climate Change and Environmental Policy Manager with the requisite qualifications and skills who helped produce the Charter and to lead on workshops for members of the public.

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

- A review of the Corporate Plan in conjunction with the Net Zero Strategy and Action Plan Environmental Charter, confirmed that the objectives and targets align.
- A review of the minutes of the meeting of the North Norfolk Sustainable Communities Fund Grants Panel confirmed that recommendations are raised for grant funding with supporting narrative and must be agreed and signed off by the Panel. Consultation with the Climate & Environmental Policy Manager was evident to make recommendations on the utility and reasonableness of environmental grant requests. Confirmation was obtained that the verification process is adequate, segregation of duties and approval levels were evident, the allocation of money and how it is spent is tracked and monitored with the awarded organisation, the awarded organisation invoices and quotes for spending are recorded, referees are sought and a signed contract is recorded along with supporting information. (Chapter Two – ‘We will invest in ‘sustainable communities’ by providing grants of up to £15,000 for green initiatives which local town and parish councils and community groups can apply for).
- NNDC issued feedback surveys for the post-GreenBuild event to gather data to improve future events. The T11 Project Closure Report is a summary closure form for the 2021 GreenBuild event that was escalated to the Corporate Leadership Team (CLT) and presented with focus and attention turned to 2022. The key learning points are utilised to generate the plan for 2022 and various options were presented to CLT with inclusivity ratings, risk ratings and detailed approaches for consultation internally, before progressing with the GreenBuild 2022 event. (Chapter 2 ‘We will inspire businesses within the District by providing a platform to promote ‘green business’ activities at council-run events such as the annual Greenbuild event).
- As of 25th March 2022, 71,895 trees and hedge plants have been planted across the district in 85 projects. 51,742 of these were planted in the planting season Oct 2021 to March 2022. This is on track to be achieved by the 110,000 target date of 2023. The big tree giveaway is another tree planting initiative that has been achieved in previous years. (Chapter 3 ‘You can take part by joining in with public consultations and local events such as ‘the big tree giveaway’ and the Environment Forum’).

ISSUES TO BE ADDRESSED

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

Project / objective monitoring; financial and non-financial

- Arrange reporting of progress and milestones to update and inform the public, Members and Corporate Leadership Team with progress on the delivery of Environmental Charter objectives.
- To develop terms of reference for the Project Board that defines structures of a project, meetings' structure, the authority and approval levels, responsibilities, reporting and monitoring arrangements and the Portfolio owner arrangement. The Project to meet as soon as practicable, thereafter.

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

Management and Member reporting of progress

- The key risks defined within the National Audit Office 'Good Practice Guide Climate Change Risk: A Good Practice Guide for Audit and Risk Assurance Committees' to be included within the monitoring and reporting arrangements.

Project / objective monitoring; financial and non-financial

- The financial 'Variance Explanations' document be complete, signed and returned to the Finance Team with all variances stated clearly, in accordance with internal procedure.
- Information posted on the website corresponds with the information reported in the Net Zero Strategy and Action Plan.

Operational Effectiveness Matters

The operational effectiveness matters, for management to consider relate to the following:

- The Council should consider carrying out and recording the planned consultation approach defined within the NZSAP to engage with other councils, the public and local businesses as NNDC progresses towards 2030 Net Zero target.

- Consider the requirement for corporate commitment at an executive level to progress initiatives that require total employee involvement as well as a review of the resource available considering the emissions and transport initiatives delays.

Previous audit recommendations

- This area has not been subject to previous audit review, hence there are no previous audit recommendations to consider.

Other points noted

- At the start of the review, it was established that Climate Change and Environmental Policy Manager did not have access to raise purchase orders in respect of charter activity due to system limitations within eFinancials. This matter was resolved during the course of the audit, with evidence obtained. Hence no recommendation has been raised.