

GOVERNANCE, RISK AND AUDIT COMMITTEE

Minutes of the meeting of the Governance, Risk and Audit Committee held on Tuesday, 26 March 2024 at the Council Chamber - Council Offices at 2.00 pm

Committee

Members Present:

Cllr J Toye (Chairman)	Cllr S Penfold
Cllr C Cushing	Cllr L Vickers

Members also attending:

Cllr P Fisher	Cllr L Shires
Cllr S Bütikofer	

Officers in Attendance:

Director of Resources, Assistant Director Legal & Governance, Head of Internal Audit, Democratic Services Officer (Scrutiny)

48 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies had been received from Cllr J Boyle and Cllr A Fletcher.

49 SUBSTITUTES

Cllr P Fisher was a substitute member at the meeting.

50 PUBLIC QUESTIONS

None received.

51 ITEMS OF URGENT BUSINESS

None

52 DECLARATIONS OF INTEREST

None

53 MINUTES

The minutes of the meeting held on 5th December 2023 were approved as a correct record and signed by the Chairman.

54 ACCOUNTING POLICIES AND STATEMENT OF ACCOUNTS

Cllr C Cushing asked about paragraph 3.14 of the report which said the Statement of Accounts for 2021/22 and 2022/23 are very unlikely to be the subject of the in-depth audit that might ordinarily be expected and what were the risks of doing this.

The Director for Resources stated that there would be a light touch audit of two years in one and there will be a qualified account due to this. There were some risk

that the Council was taking forward balances that weren't 100% accurate but the Council did not have a complicated set of accounts and were closing down balances as they normally would and were following the appropriate codes, policies and legislation.

The Auditors would also look at the opening balances for 2023/24. The Council was as confident as it could be in preparing the accounts to be accurate.

Cllrs S Penfold and L Shires thanked the Finance staff for their hard work and welcomed the appointment of a Chief Technical Accountant to the Council.

Cllr L Shires commented that it was positive that an indicative date of audit being undertaken in August with a view to sign off by November 2024 has been discussed.

The Chairman agreed with Cllr Shires ambition that the audits should be completed on time but there were the national challenges for the auditors, and we will see if that is achievable.

Resolved – (A) that the accounting policies that will be applied to the Statement of Accounts for 2023/24 be approved, and

(B) the progress of completion of prior years' Statements of Accounts and how they will be audited under the government's proposed cross-system measures that are being put in place to clear the backlog be noted.

55 CORPORATE RISK REGISTER

Cllr C Cushing asked why the risk score for the Council's Medium Financial Plan was not higher than 16.

The Director for Resources was happy with the Plan as it made assumptions that could reasonably be made at the current time. The funding score could be higher but the Plan projects things as they are so was satisfied that the plan was robust and identified the Council's shortfall.

Cllr C Cushing asked why the risk score for People Resources was low as the Council seemed to have recruitment problems especially for key staff.

The Director for Resources stated that the score was lower due to the council's staff turnover and absence rate being low compared to other authorities and the Council has a largely stable staff.

Cllr C Cushing commented that CR 026 Impact of Economic fluctuations on the North Norfolk economy was not really a risk. The Committee agreed with the Director of Finance Resources suggestion that this risk should be removed in future reports.

Cllr C Cushing asked if CR 010 Housing Delivery should include reference to the effect of nutrient neutrality to the housing supply in the district. The Committee agreed that this should be a risk in its own right.

Cllr C Cushing queried whether the Fakenham Leisure Centre project should be added to the register. The Committee agreed that this was a good idea.

Cllr S Penfold asked when the monitoring of the savings for the 24/25 financial year would start to come though. The Director for Resources said that the plan was to include with the quarterly budget monitoring report, but it would be monitored on a monthly basis.

Resolved that (A) risk CR 026 Impact of Economic fluctuations on the North Norfolk economy be removed from the Corporate Risk Register

(B) the effect of nutrient neutrality be added into the Corporate Risk Register, and

(C) the Fakenham Leisure Centre project be added to the Corporate Risk Register.

56 STRATEGIC AND ANNUAL PLANS INTERNAL AUDIT PLAN 2023/24

Cllr C Cushing asked if this was a rolling plan of audits or if there had been anything recently that was significant that had changed the plan.

The Head of Internal Audit stated that it was a programme that was completed every three years, but it was possible to go down a Corporate Risk approach or an assurance mapping one and there was going to be conversation about which was the best way forward. For example, Housing Benefit and Council Tax was due an audit but was performing well and didn't need it. It was case of putting the resources in the right places and the Audit strategy was going to be looked at again in that context.

Cllr L Shires drew the committee's attention to the Audit of the commercialisation of the Council's assets which was scheduled for quarter 4.

Resolved – that the Internal Audit Charter for 2024/25; the Internal Audit Strategy for 2024/25; The Strategic Internal Audit Plans 2024/25 to 2026/27; and The Annual Internal Audit Plan 2024/25 be approved.

57 GRAC SELF-ASSESSMENT

The Committee noted that it was good practise for an Audit Committee to self-assess its performance each year. Unfortunately, there had so far not been sufficient response from the committee members to the self-assessment exercise.

The Committee agreed that the self-assessment forms should be sent out again to the committee members and come back to the committee when greater numbers had completed it.

Resolved – that the Audit Committee self-assessment exercise be undertaken again and the results reported to a future meeting.

58 ANTI-MONEY LAUNDERING POLICY

Cllr C Cushing asked if the policy was from a local government template.

The Monitoring Officer advised that it was not from a template but examples of good practise from other authorities had been used to develop a policy that would work for the council.

Cllr C Cushing asked if all staff had training on this policy on an annual basis. The Monitoring Officer advised that staff had to be aware of the policy, but specific training was given to key staff who were involved with money laundering checks.

Resolved – that the anti-money laundering policy be recommended to Cabinet for approval

59 COUNTER FRAUD, CORRUPTION & BRIBERY STRATEGY

The Committee noted and agreed that the reference in paragraphs 5.2 and 5.6 of the Policy relating to the Head of Internal Audit should be changed to the Assistant Director responsible for Finance.

Resolved – that the Counter Fraud, Corruption and Bribery policy, as amended, be recommended to the Cabinet for approval.

60 PROCUREMENT EXEMPTIONS REGISTER

The Monitoring Officer introduced the report and informed Members that there had been three exemptions between 15 November 2023 and 8 March 2024 which were outlined in the report.

Resolved – that the procurement exemptions be noted.

61 WHISTLE BLOWING POLICY

The Monitoring Officer in presenting the policy stated that the Government was currently reviewing the whistleblowing framework and the results of that review may need the policy to come back to committee to reflect those changes.

Cllr L Shires referred to the section in the policy on Councillor involvement and requested that a shorter version be sent to all members highlighting this.

The Chairman asked about the named people in the schedule of key contacts and how this would be updated. The Monitoring Officer stated that there was the job title as well as a name which should enable people to identify who to contact.

Resolved – that the revised Whistleblowing Policy be approved.

62 REVIEW OF COUNCIL'S ASSET REGISTER

Cllr S Penfold asked what process was used for assessing the value of the assets.

The Director for Resources advised that external valuers were used for the more complex valuations who could go onto site to complete the valuation assessment. Other valuations were done inhouse by qualified staff. The valuations were then scrutinised by the Auditors. Some properties were valued on an annual basis as part of a rolling 5-year cycle.

Cllr S Penfold asked about how intangible assets such as IT software were valued. The Director for Resources would be valued on a cost basis usually for a period of 3 years.

Cllr C Cushing asked what the council did with the asset values and how did they

benefit the council.

The Director for Resources stated that they were on the council's balance sheet and from an operational point of view they should be looked at as to whether those assets are being used to their full potential. If an asset is underutilised would it be surplus to requirements and could potentially be disposed of.

The Director for Resources added that individual assets were not necessarily looked at on an asset-by-asset basis but those assets that were investment properties or income generating would be. There was an asset management plan that was currently being reviewed that would undertake that process.

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Resolved – that the contents of the Council's Asset Register be noted.

63 GOVERNANCE, RISK AND AUDIT COMMITTEE UPDATE AND ACTION LIST

The Democratic Services Officer (Scrutiny) reported that in respect of Minute there was an outstanding item on land charges on whether a review is undertaken on how land charges are monitored and how this will be reported in the future.

Cllr L Shires advised that it would need to be monitored following the changes from Central Government and the cost implications of those changes.

The Director for Resources advised that this would need further analysis and suggested that it come back to a future meeting.

Cllr C Cushing asked about whether the committee was going to have an independent member.

The Monitoring Officer advised that this is planned for the next financial year.

Resolved – that (A) a report on the effect of changes to Land Charges be submitted to a future meeting, and

(B) the appointment of an independent member be considered in the next financial year.

64 GOVERNANCE, RISK AND AUDIT COMMITTEE WORK PROGRAMME

The Democratic Services Officer (Scrutiny) advised that the items for the June Committee meeting should include the annual review of Internal Audit and asked whether the 9 July meeting for the Annual Accounts sign off would go ahead.

The Director for Resources advised that the sign off for the 23/24 accounts was planned for December 2024 and there won't be a formal sign off for the outstanding accounts. The sign off would go to the December meeting.

The Committee agreed to cancel its 9 July meeting.

Resolved – that the committee meeting for 9 July be cancelled.

65 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at 3.20 pm.

Chairman