

## **GOVERNANCE, RISK AND AUDIT COMMITTEE**

**Minutes of the meeting of the Governance, Risk and Audit Committee held on Tuesday, 2 December 2025 at the Council Chamber - Council Offices at 2.00 pm**

### **Committee**

#### **Members Present:**

Mr V Platten (IP)	Cllr S Bütkofer (Chair)
Cllr J Boyle	Cllr C Cushing
Cllr A Fletcher (Vice-Chairman)	Cllr V Holliday
	Cllr S Penfold

#### **Members also**

#### **attending:**

<b>Officers in Attendance:</b>	Director of Service Delivery (DSD), Director for Resources for Communities (DRC), Assistant Director Legal and Governance, Monitoring Officer (MO), Head of Internal Audit (HIA), Democratic Services and Governance Officer (DSGO), Resilience Manager (RM) Corporate Programme and Project Manager (CPPM), External Auditor (EA)
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### **34 TO RECEIVE APOLOGIES FOR ABSENCE**

None received.

### **35 SUBSTITUTES**

None.

### **36 PUBLIC QUESTIONS**

None received.

### **37 ITEMS OF URGENT BUSINESS**

None.

### **38 DECLARATIONS OF INTEREST**

None.

### **39 MINUTES**

The Chair asked for a title to be added to the item under Urgent Business to briefly explain its content.

Cllr Boyle proposed, and Cllr Fletcher seconded to approve the minutes which **was ACCEPTED** unanimously.

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

Chair asked if the action under Minute No.7, in respect of property assessments, be chased and allocated correctly to the appropriate Officer. The DRC said the Assistant Director for Finance and Assets (ADFA) would report back within a month.

The DRC asked the HIA to clarify if there was going to be an internal audit work plan for scheduled maintenance and whether that would have an impact on the date of that report. The HIA confirmed there was, so the DRC advised they would keep the Committee updated if that internal audit was going to mean a delay in providing a full written update, to Minute No.7, within the agreed time.

The IP believed it would be helpful to add a column onto the list highlighting when the action was initiated, to give some context on how urgent any update needed to be provided within, as well as a column noting when the action was completed.

The HIA suggested the Committee should consider training on the Global Internal Audit Standard in the UK Public Sector which would include the second part of the Chartered Institute of Public Finance and Accountancy (CIPFA) self-assessment.

The Committee unanimously agreed to an audit training day on March the 24<sup>th</sup> 2026.

**ACTION: The Committee agreed**

- **That the ADFA would provide a full answer to the outstanding action on property assessments within a month of the meeting.**
- **The DSGO to add columns to the list for date action opened and closed**
- **Training would be organised for March 24<sup>th</sup>, 2026, to better understand the Global Internal Audit Standard in the UK Public Sector.**

**41 UPDATE ON THE 2024/2025 EXTERNAL AUDIT OF THE COUNCIL'S FINANCIAL STATEMENTS**

The EA gave a verbal update. He reminded the Committee that the report in June had raised 6 risks on the financial statements and one risk on the Value for Money conclusion (VFM). The EA explained that they had been working with the finance team to ensure they maximised the completion of planned procedures. The last time the Council received a full audit was for year 2021 due to delays in publishing accounts and new legislation that had been put in place. The final element of the audit for the 24/25 accounts had begun with a backstop date of the end of February 2026.

The Chair then invited questions from the Committee.

In response to a query from Cllr Penfold regarding what had happened to the Council's accounts between 2021 and 2024, the EA explained there was a backlog across the whole sector, not just in North Norfolk. The 2021 accounts were signed off in 2023. Last year was the first year EA could fully update before the first backstop. Accounts between 2021 and 2024, hit the first backstop before they had time to complete an audit and went straight to disclaim as they could not form an opinion on them. The year 2024/25 was the first year they were trying to build assurance on. In 2025/26 they would carry out a risk assessment to see where the gaps were.

The Chair was concerned how long disclaimed reports might go on before the Council could be in acceptable place for a full audit and asked for an assurance from the EA and the DRC that everything was being done to ensure the Council would be in that place as soon as possible. The DRC reiterated that the finance team and audit team were working closely to seek clarification as to when they needed to provide suitable evidence to be able to close an item off, they were doing so in sufficient time with all the correct information required. If that wasn't provided then auditors would move on to another section due to the small window they had to complete the audit. The DRC said the finance team was quite new with many officers never having been audited before, but they were doing as much as they could to support those officers through that process.

The DRC explained that the opening balances from April 2024 were not certain as they had not done all the required tests to verify them due to not completing an audit for the previous three years.

The EA agreed and said the optimum time for returning to a clean opinion was three years but would depend on how successful they were in completing the planned procedures they were currently working through. The EA was comfortable that they had the capacity and resources to get through that work. It was in the EA's opinion that a step forward would be to see a significant portion of the assurances, on the balance sheet significant accounts, turning green, as previously they were all red due to having to disclaim them.

Cllrs Holliday and Cushing asked if they could see the delay in concluding the audits within the corporate risk register or, if not, should they be adding one for the potential black hole in the Council's finances for the period of three years where no assurance was given. The EA said that he had seen some councils add it as a risk, but the Committee would need to think about what the risk was. As the external audit was the final check, all the internal procedures should give assurance that the final statement of accounts was correct. Otherwise, it would be a risk indicating a flaw in the Council's own internal procedures, and if that was the case, members would need to agree what would be done to mitigate that risk.

The Chair was concerned that the Committee could hinder the work of the audit team by adding in actions, such as additional checks and balances as that would delay getting the figures to the external auditors resulting in them running out of time to audit the accounts themselves.

Cllr Cushing felt that a risk could be added, and that the mitigation would be the work carried out by the auditors to audit the accounts and no delay would therefore be incurred. He felt that it was far more of a risk if they didn't add that onto the register when they knew there was a potential for a black hole being there.

The DRC sought to clarify If the black hole that Cllr Cushing was referring to, was an asset that was over-valued or a liability that was under-valued and explained that if this was the case then there were processes and financial controls set up to help mitigate that. Also, the EA would focus on the most material transactions and balances on the balance sheet to avoid that risk.

The IP was interested in knowing if the risk could potentially jeopardise the Council's relationship with Central Government or key stakeholders in which case the IP felt it should be on the risk register and the Council taking mitigating action. The EA said that they needed to do the 2024/25 accounts and then size up any scale of the potential risk but it was important to remember that when the draft accounts were

issued by the Council they were issued as being materially correct.

Cllr Penfold asked, with the fees being paid to the EA by the Council in mind, what, if any, processes were completed for those missing three years of accounts. The EA confirmed no audit was completed because the time was reduced up to the backstop date for those years. Certain procedures, such as value for money, were completed and had to be, along with one or two other procedures, to disclaim an audit; they also did limited procedures on the accounts, such as were they compliant with the disclosure checklist issued by The Chartered Institute of Public Finance and Accountancy (CIPFA), and that was reported. In terms of the fee being paid that was all determined, as to what was reasonable and fair, by the Procurement Services Agreement (PSA) for those years.

The Chair took a vote and asked for those in favour of a risk being added to the risk register, with 2 votes for and 4 against.

The DSD said the Council's Corporate Leadership Team (CLT) reviewed risks on the register regularly and they would consider forming a view internally, whether a risk needed to be added.

The Chair suggested they review again once the 2024/25 accounts had been reported back on and they bring both Committee and internal viewpoints together to discuss.

## **42 INTERNAL AUDIT PROGRESS & FOLLOW UP REPORT**

The HOIA introduced the report and explained there were 11 audits to complete, 3 of which had been finalised. She highlighted that there were 34 outstanding recommendations with 1 limited report in reference to licensing that had an urgent recommendation.

Cllr Fletcher asked about the urgent recommendation that was highlighted by the HOIA in reference to renewal of premises licenses and the large amount of money that hadn't been recouped. He was alarmed by the grace period allowed to businesses to settle the outstanding fees and the fact it appeared not to be tightly observed.

The DSD was aware that the Environmental Health (EH) team were working on those licenses and fees but did not have an up-to-date position at that time so offered to report back after the meeting. He explained EH now had a business manager in post looking at the processes to ensure not only the correct fees were charged for all licenses but that they were collected in a timely fashion.

It was felt by the Chair, that the guidance clearly stipulated that the Authority must suspend a license when it was not renewed on time and that the Council must enforce this on each occasion, when necessary, to be consistent. The MO clarified there was a system of debt recovery which would allow any outstanding fees to be chased that way. The MO also said that a period of grace to settle the outstanding fee, rather than immediately suspending the license was a pragmatic way of managing the situation but agreed that getting correspondence to those businesses impacted, outlining the consequences of non-payment of the fee, which could result in a potential suspension of the license, was important to do in good time.

The Chair said any grace period was open to misinterpretation and that the public may perceive that some businesses were given longer to renew before being

suspended when others were suspended immediately. The Chair added it was important that businesses knew where they stood and that the Council did not leave itself open to criticism for being perceived to show any bias.

Cllr Cushing asked why a manual system had not been put in place to avoid the number of outstanding fees being owed when the Council knew the automated service was going to be switched off. The DSD said the old automated system closing was not the choice of NNDC and although it could make representations to the software companies that ran them to add certain features, unless EH were to pay, at significant cost, to include them they could not dictate to that company what functionalities their software would be able to provide. The DSD assured Cllr Penfold, who believed that the procedures needed to be tightened to reflect what EH expectations were, i.e. when the fee was due and the consequences of not paying, that those procedures were now being put in place as part of the new EH Business Manager's focus before communicating that to businesses in good time.

It was suggested by the IP that he would expect to see quite tight budget management on the recovery of fees and there was a risk of a legal challenge should any license holder feel they were being treated differently to another, with regards to grace periods and penalties being enforced or not.

Cllr Boyle highlighted that figures in the report showed that work was being done to review who still owed money and those businesses being chased for fees in a process that was due to finish at the end of November 2025.

Feedback was offered by Cllr Holliday who felt more information of the progress being made earlier in the report would be helpful going forward, for example, what the urgent recommendations were and where within the report they could be found, as well as informing the Committee which items had been closed.

Cllr Holliday, referred to the 7 important recommendations around Artificial Intelligence (AI) and the item on the Section 106 (S106) which were of some interest to the Committee. The Chair said the piece around AI was an advisory audit, but it did have a due date of the end of January so was also interested to ask if that deadline was realistic. The DSD felt some reflection was needed on those recommendations as the use, and benefits, of AI was something the Council should be on top of. Updates for each service area were sought monthly and the DSD hoped that by the 31st of Jan those recommendations would have been closed or significant progress made to their completion.

Cllr Cushing asked if there was any benefit in discussing the risk of AI with other councils for shared learning and pooling resources with LGR in mind. The HOIA was aware that some were using AI in a similar way to North Norfolk and others were using it more readily, within a safe environment, and with training provided.

The DRC explained that the new S106 officer would be in role by the end of the year but would need some training to get up to speed. The DRC had discussed with the team leader any existing S106 grants the Council retained, that were close to expiring, so that an action plan was in place to mitigate the financial risk of repaying such grants.

It was pointed out by the IP that a number of the actions had the same responsible officer and felt it would be good practice to seek reassurance that the officer in those cases had sufficient capacity. The IP was also concerned about date slippage and suggested adding a column to the report showing what confidence the responsible

officer had in hitting their targets, for transparency purposes, so if the Committee, or other responsible bodies, felt it was critical they could act accordingly. The DSD explained that the responsible officer was more appropriate for those in post at Assistant Director level throughout rather than have multiple responsible persons across the organisation. Being the responsible officer didn't mean, therefore, you were responsible for doing the work itself in all those cases. CLT was concerned of the high volumes of work for those officers, when additionally working towards devolution and Local Government Reform (LGR). CLT asked for updates regularly and if there was going to be a slippage ensuring there was a justified reason as to why that was going to happen.

The HOIA said they worked with CLT in getting updates for the outstanding recommendations but felt that adding a percentage showing the officers confidence level was an option they could explore. The DSD agreed but said they had improved on getting to a point where officers didn't wait to be chased before actioning something for an audit and capacity levels had to be considered if then adding another update they needed to provide for the internal audit report. The DSD did say they already challenged those responsible officers to look at those deadlines, when they were agreed, to see if they were achievable and to have an open dialogue with the auditors. The CLT had tried to ensure that dates were not continuously moved but should they need to be, for justified reasons, then the new deadline was set with a high degree of confidence that the target should be met.

The Committee **noted** the report and approved the change to the Internal Audit Plan.

**ACTION: The Committee agreed the DSD should provide a written report within 1 month outlining**

- The number of premises that still need to pay their fee and the value of the those licenses outstanding.
- The documentation associated with license renewals demonstrating the grace period has been removed.
- The processes in place when renewing a premises license, clearly showing that reminders are going out in a timely manner and the consequences of not paying the license fee are clearly communicated.
- To update the Licensing Policy by March 2026, reflecting those changes in procedure.

#### **43 PROJECT MANAGEMENT FRAMEWORK PROVISION**

The Corporate Programme and Project Managers gave a short introduction to the Framework and said they believed that project governance was a key part to managing organisational risk. They explained that it was not a new framework but an existing one that had been refreshed and that their role was to ensure that projects across the organisation were delivered to the highest possible standard, consistently, with clear oversight and accountability. They still reported to CLT for final sign-off.

Cllr Cushing asked if the framework was based on Prince 2 principles. The CPPM said it was a hybrid as some service areas did things more agilely, but they did use

some of those principles associated with Prince 2 without being too heavy handed as it was important they had consistency in governance. The CPPM said, in response to a query from Cllr Cushing, the number of projects they had in progress was around 14 with a further 81 that had been proposed but not started.

The DRC explained that the Major Project Oversight Board, was not a delivery board, their role was to ensure that the governance process was working and to highlight any significant risks that weren't being mitigated or controlled and then escalated appropriately. They did not release finds of any kind that was the responsibility of Full Council.

The CPPM responded to a query from Cllr Penfold regarding how they evaluated a project, such as the North Walsham Heritage Action Zone, when working with partnering organisations who had different strategic objectives to the Council, saying they also had an external board where objectives would all be set out, and agreed, before the project was initiated.

In follow-up to observations made by the IP, the CPPM said they were already having regular meetings with those key departments that were likely to crossover into a project and as part of the proposal document they were pushing to have sign off from all the managers of the teams who would most likely be involved in an effort to raise awareness of the resource required and at what stage they were needed. They had implemented a log to capture what was done well and what they needed to improve upon throughout the course of a project that could then be fed into future ones. In light of LGR, they were developing an internal project management working group which they were looking to expand across other local authorities to discover any best working practices that could be shared.

The CPPM agreed with the Chair that it was important to review a project 12 months after completion to evaluate did it deliver and if not, why not, and this was already part of the existing framework but again they were working with teams to identify what benefits they were looking to see from that project down the line.

It was asked by the Chair at what point, if any, did the Project Management Team engage with Members. The CPPM felt that portfolio holders for those project areas should be reporting back to Cabinet or Full Council, but the Chair stipulated that with her experience the projects that often failed were those with no proper project proposals and they had no Councillor oversight. The CPPM said that would happen and they were refreshing the framework to ensure it did.

Cllr Cushing felt that in his experience every project had a sponsor who was ultimately responsible, and held accountable, for its delivery but also for the fulfilment of any associated benefits. If that sponsor in the Council's case was a staff member of the CLT they should in turn report back to a Cabinet Member as those projects were instigated as part of policy and he suggested that if that thread was not there already, they should consider adding it in. The CPPM agreed that this was a good point to start that process of engaging with Members through the various respective council committees.

The DSD suggested that a report, or an update could be submitted, via the DRC, as Chair of the Major Project Oversight Board, to the Governance, Risk and Audit Committee to open that avenue of dialogue going forward.

**ACTION: The Committee agreed a summary report should be provided by the CPPM for the DRC to present, as necessary, going forward.**

## PERFORMANCE AND PRODUCTIVITY OVERSIGHT BOARD (PPOB)

The DSD summarised what the PPOB did and explained that it focused on improving work around many areas to ensure the Council was moving in the right direction. A lot of recommendations did come in at the end of November so there had been a slight rise in the most recent report for that reason. The DSD highlighted the positive change around the complaint's procedure, particularly from the local government ombudsman, as they had previously found against the Council on a couple of occasions. The Council had now made changes to the complaints process and policy which meant that stage 1 and stage 2 complaints were more in line with Local Government and Social Care Ombudsman guidance (LGSCO). In the previous year, November 2024 – November 2025 the Ombudsman had a similar number of complaints referred to them, but they had decided not to investigate any of them which he believed was a significant compliment for the Council complaints process.

It was noted by the Chair that the Council was part of a trial to which the DSD expanded on stating that the LGSCO do engage with several authorities to consider how they were going to update their code of practice on complaint handling. The Council had very positively engaged on the last couple of occasions that policy had been updated. As such, the timeline with which officers must respond to complaints had changed in line with the code which will be trialled up until April 1st, 2026, when the code would officially be adopted.

Cllr Holliday asked about the Corporate Plan and Action Plan and how the RAG (Red Amber Green) rating was determined as 80% were green. The DSD explained that it was not the job of the oversight board to grade but what they looked at was whether the report had been done and was the narrative relevant to the piece of work. The rating was for the responsible officers to establish.

It was pointed out by Cllr Boyle that in July 2024 there were 127 policies outstanding and now in November 2025 it had been reduced to 40 which was a massive amount of work to get through and should be applauded, to which the Chair agreed. The DSD said that figure would go up again as policies were constantly being reviewed but many were just in need of being refreshed, or updated, rather than completely rewritten to see if they were still relevant so did not take a lot of work.

The DSD paid special thanks to his Executive Assistant (EA), for the time and effort she put in to simplify a complicated system and did a lot of that work in chasing and updating and he was very grateful for her determination and commitment.

The Chair and Committee wished to pass on their thanks to the DSD's EA.

The Committee **noted** the work that the PPOB has undertaken over the last 12 months and the progress that had been made on various issues.

## CIVIL CONTINGENCIES UPDATE

The RM introduced the update and reported it was a record year for number of events coming through Safety the Advisory Group and that caused some concern for the RM as they knew they were likely to see more coming in when the Terrorism Protection of Premises Act 2025, known as Martyn's Law, came into effect against a backdrop of LGR and constrained budgets and there was no additional funding available from the regulator for safety advisory groups despite the associated additional administration costs.

Cllr Holliday had a concern about field fires and fire risk as she had spoken to the local fire prevention officer and discovered what they were doing in Dorset but there was not any support in Norfolk on fire prevention or readiness. The RM responded to a further query from Cllr Holliday on whether the communication breakdown risk should be raised as there had been a recent incident where an internet cable was cut by mistake cutting off commercial business for 3 weeks. The RM explained that the Norfolk Resilience Forum routinely went through all the risks that they separate from the Central Government ones but could not recall seeing one specifically around Communications but offered to report back on when that was due to be renewed and if it isn't on the list, they could consider adding it. The RM said she would also go back to her contact with regards the field fire risk as, due to climate change, it was sadly more likely to happen again. Also, still classed by the Environment Agency as being in a dry spell, one down from drought, so another hot summer next year and that would increase the risk further still.

The DSD explained that he was the chair of the Norfolk Resilience Forum (NRF) and they did consider communication risks, and multiple others, such as widespread outages through the telephone system and the RM would be interested to hear of the businesses that were affected as part of Business Continuity. The DSD did also say that the NRF encouraged businesses to take that responsibility for themselves, as many didn't use the normal wired IT systems and used satellite related internet so did have options open to them to protect from outages or have alternate provision.

Chair was very grateful for the updates provided by the Civil Contingencies team keeping Members well informed when incidents did occur. The Chair was also very sad to hear that the flood wardens in Wells-Next-The-Sea were stepping down and paid tribute to all their hard work over many years.

The Committee **noted** the report and the council's contributions to the Norfolk Resilience Forum and the response to incidents.

Cllr Penfold left the meeting.

## 46 CORPORATE RISK REGISTER

The IP offered to write in with suggestions that he had observed if that was helpful to the Committee. The Chair agreed and the DSD was grateful for any assistance in improving what they were doing.

Cllr Holliday asked about capacity around the IT Manager and if the Council was paying sufficient attention to that. The DRC agreed that it was a valid concern as IT systems integration would be one of the biggest challenges of LGR putting even more pressure on the IT team. As officers were nominated to liaise with partners on the LGR processes, CLT was liaising with those teams in offering assistance to backfill those posts of those nominated as they were very concerned about officer resilience and were supporting them due to fear of burnout in the lead up to vesting day and that was something worth considering as part of the risk register.

The DSD said he would be happy to ask the lead officer to revisit the risk of housing delivery targets after a concern was raised by Cllr Cushing in relation to the sign off of the local plan with the risk of the government imposing their target of 932 new homes a year but the DSD did explain that the risk was not a subjective assessment but based on a calculation within the system and that risk may change over time but would not want to change the rating based on something that might happen.

The Committee discussed the risks that were being proposed to be removed from the register. The DSD agreed with Cllr Holliday that, in reference to risk CR029, it should reflect the corporate risk associated with specific activity and should be identified where appropriate. The DSD also reassured Cllr Cushing on risk CR038 stating that there was a separate risk register for that project and that remains in place.

It was felt by the IP that a solution could be to provide a clearer explanation as to the reasons why the risks were being requested to be removed as part of the report. The DSD was happy to take this point onboard.

The Committee **Agreed** for the IP to write in with suggestions. This will be shared with the Committee and the CLT upon receipt by the DSGO.

The Committee **noted** the report and **agreed** to remove specific risks from the register:

- CR 009 – Poor Procurement
- CR 029 – Poor Reputation of the Council in the Community
- CR 038 - Fakenham Leisure and Sports Hub (FLASH) – threat to building within funding window
- CR 040 - Management Information System – failure to complete development and maintain when in use

The HOIA left the meeting.

## **47 RISK MANAGEMENT FRAMEWORK**

The DRC explained that this item was on the agenda for reference as it was the Policy that was adopted 12 months ago and there were no proposed changes.

**Action:** It was suggested by Cllr Holliday that the Risk Register is placed earlier on the agenda to allow for sufficient time and questions to be made. The Committee agreed and the Chair felt after the External and Internal audits would be more appropriate. The DSGO will action this suggestion beginning at the next meeting.

The Committee **reviewed and noted** the Risk Management Policy and Framework.

## **48 PROCUREMENT EXEMPTIONS REGISTER**

The Committee **noted** that there were two procurement exemptions to report but there were no questions.

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

The Committee **agreed** that there were sufficient items on the work programme going forward and that would be added to in time.

## **50 UPDATE ON THE LETTER TO THE NATIONAL AUDIT OFFICE (NAO)**

The Chair introduced this item regarding the cost of delivering LGR and if that was a good use of public money. The Chair felt that perhaps the NAO should be proactively seeking to investigate rather than be reactively looking back after the

process had been completed. The Chair proposed drafting a new letter that would be sent to the Committee before being sent to the NAO.

It was suggested by the IP that any final letter the Committee agreed upon may also have some other target audiences, with which the Chair was open to should the IP feed those suggestions back.

The Committee **agreed** for the Chair to write a response to the NAO letter, from the Committee, and this would be shared, and agreed upon, accordingly before being sent.

## 51 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at 4.35 pm.

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Chairman