

**SIGNIFICANT GOVERNANCE ISSUES PROGRESS REPORT - FROM ANNUAL GOVERNANCE STATEMENT 2019-20**

AGS Issue No.	Issue identified	Responsible Officer	Summary of action proposed	Update Sept 2020	Update December 2020	Update March 2021	Notes
3 (19-20)	Due to the Covid19 pandemic and the lockdown measures that were put in place in March 2020, the Council is facing increased cost and demand pressures at the same time as seeing a significant drop in income. Support from Central Government has mitigated some of the pressures, but the longer term impact could still be damaging to the Council's financial position.	Director Finance	~The Government have provided grants to cover expenditure pressures. ~The Government have committed to covering most of the losses from sales, fees and charges. ~The Council has taken an emergency budget to be considered on 21 July 2020, identifying ways to ensure a balanced budget.	~ Emergency Budget has been approved. ~ Government provided a small additional amount of Grant (£206k) to help towards expenditure pressures. ~ Monthly monitoring and returns to Government being maintained. ~ Extra £1m set aside to deal with additional pressures.	- Further Lockdown creating additional pressure on income budgets - Sales, Fees and Charges compensation has allowed the Council to protect its finances further and offset the worst elements of income loss - Further grant funding provided by Government to support additional expenditure	The final Local Government settlement has provided further financial support stretching into the first quarter of 2021-22. This appears to coincide with the Governments planned removal of restrictions over 4 steps.	
4 (19-20)	Due to the Covid19 pandemic and the lockdown measures that were put in place in March 2020, the Government has laid new regulations before Parliament to allow for virtual Council meetings to be held virtually.	Director Corporate Services / Monitoring Officer	The Council was the first to use the new regulations, holding a meeting of the Executive virtually, two days after the regulations came into force. Initial meetings were held via Skype for Business, but this has been replaced by Zoom. All meetings are streamed live via Facebook as they were previously to enable the public to view all Council business transparently. Members of the Public can also "attend" the meeting to ask questions using the normal notification procedure.	The virtual meetings are going well.	Meetings are continuing to be held virtually via Zoom, and are continuing to perform well. Members of the public regularly take up the opportunity to engage in these meetings via the normal public engagement aspects, with all public meetings also being broadcast via the Council's Facebook site. There are no plans at the moment to return to physical meetings."		
5 (19-20)	The move to an agile and flexible working environment as part of the Organisational Development Plan will impact on the control environment in some instances, which will require a review and in some cases adaptation of existing controls.	Audit Managers	Audit Plan will be updated to prioritise those services where the new working from home environment has resulted in a change to working practices and controls.	The current plan has been reprioritised to ensure control risks relating to working from home are promptly reviewed.	A revised Audit Plan was approved by A & G 16.09.20. Audit testing to date would indicate that staff have adapted well to the enforced home working and revised working processes and controls have been implemented and are working well.	Testing has indicated that revised working processes and controls have been implemented and are working well.	
6 (19-20)	The Covid19 pandemic has created a significant increase in fraud risk. The Council has already experienced at least one instance of a fraudster attempting to change a suppliers bank details. Grant schemes always attract individuals hoping to exploit the system and with the Government Covid19 grants schemes this risk has also further increased.	Audit Managers	Internal audit are currently undertaking a risk assessment on behalf of the Council, as required by the government, to assess the level of risk the Council may be exposed to as a result of administering the Small Business, Hospitality and Leisure and the Discretionary Grants. Internal Audit will also be undertaking post award checking following guidance issued by the government.	The risks assessment relating to the business grants has been completed and the prior award checks undertaken mean the risk is assessed as low. Fraud risk in general is being continually assessed and emerging fraud risks and trends are considered.	Internal Audit are currently in the process of undertaking post award assurance checking on the Small Business, Hospitality and Leisure and the Discretionary Grants as well as undertaking an audit of the Council's claim in respect of the Income Compensation Scheme for lost sales, fees and charges to ensure the claim meets government guidance.  The Council is also participating in the National Fraud Initiative work programme which includes the mandation of additional data as part of the counter fraud response to the government Covid-19 relief programme.  The pre-payment process for Test and Trace Support payments has been agreed with the Benefits and Welfare Lead. Pre-payment eligibility checks will be undertaken by the Quality Control Team with IA undertaking further independent sample testing at the year end to ensure payment complied with government guidance.	Audit testing has not identified any significant issues.	

**No significant governance issues were identified for 2018/19, however, measures to improve Governance arrangements have been proposed and implementation of these measures should continue to be monitored as implementation has been delayed due to the Covid19 Pandemic**

1 (18-19)	The Council continues to make changes to its organisational structures and ways of working as it transforms the way in which services are delivered within the financial constraints of the current economic climate. This has kept the overall risk to the internal control environment high with changes in staff responsibilities and the reduction of available resources.	Audit Manager	This will continue to be monitored as part of the internal audit plan and any issues arising will be reported to the Audit and Governance Committee.	Internal Audit continue to deliver the audit plan and any issues arising relating to this risk will be reported to the A&G Committee.	As update for reference number 5 (19-20)	No change since last review.	
-----------	--	---------------	--	---	--	------------------------------	--

2 (18-19)	The Council now has a fully functioning Procurement Team in place which is effectively managing Council procurements. The next phase is to ensure that contract management is an integral part of the procurement cycle to ensure that it is undertaken effectively and consistently across the Council's contracts.	Director Finance	A contract management training plan to be implemented along with contract management guidance to assist contract managers to properly manage contracts by addressing transition management, performance monitoring and by helping to ensure that both parties fulfil their commercial and contractual commitments.	Need for training understood and accepted. Service Lead - Procurement is working to create a programme.	Contract management training delayed due to staff absence during Covid (furlough) and the Organisation Development Project task and finish group for Orders and Invoicing has taken a priority. Now scheduled for delivery in Jan-Mar 2021.		
--------------	--	---------------------	--	---	---	--	--