

**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. | Chief Finance Officer                 | ~The Government have provided grants to cover expenditure pressures.<br>~The Government have committed to covering most of the losses from sales, fees and charges.<br>~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.<br>~ Government provided a small additional amount of Grant (£206k) to help towards expenditure pressures.<br>~ Monthly monitoring and returns to Government being maintained.<br>~ Extra £1m set aside to deal with additional pressures. |                      |                   |       |
| 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.   | City Solicitor/<br>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 Initial meetings were held via Skype for Business, but this has been replaced by Zoom.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.   |                      |                   |       |
| 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.   |                      |                   |       |
| 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.<br>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.<br>Fraud risk in general is being continually assessed and emerging fraud risks and trends are considered.                       |                      |                   |       |

**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**

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| 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. |  |  |  |
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| 2<br>(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. | Chief Finance Officer | 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. |  |  |  |
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