

PROGRESS REPORT ON SIGNIFICANT GOVERNANCE ISSUES IDENTIFIED IN THE ANNUAL GOVERNANCE STATEMENT 2020-21

| AGS Issue No. | Issue identified | Responsible Officer | Summary of action proposed | Update Sept 2021 | Update December 2021 | Update March 2022 | Notes |
|---------------|--|----------------------------|--|--|----------------------|-------------------|-------|
| 1 | Financial position - 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. The Council is setting aside funds to mitigate ongoing impacts on income to protect against a further emergency budget being required in 2021-22. | The first quarter budget monitoring report will be presented to Executive and Council in October. At this stage, it is projected that the income shortfall will be well within the amount set aside to protect the Council's financial position. | | | |
| 2 | Information security in the expanded work environment - The rapid widespread shift to homeworking amid national lockdowns in 2020 brought with it a unique data security challenge. Lacking personal interaction, staff can be more susceptible to social engineering ploys as they cannot immediately sense-check emails with nearby co-workers. Given that the Council is likely to keep a greater degree of remote and flexible working arrangements in place going forward, it is more important than ever that information security culture is promoted throughout every level of the organisation to raise awareness and ensure the integrity of staff behaviour. | Information Security Forum | Information Security Forum to look at: <ul style="list-style-type: none"> • how the newly expanded work environment has impacted information security controls in different parts of the organisation and update the Information Security Risk Register accordingly • how best to raise staff awareness of key information security threats and provide guidance on what staff should look out for • whether staff information security training needs to be updated in light of changes to the working environment and IT infrastructure. | Audit Manager is due to meet with Corporate Manager Executive Support as the Council's Senior Information Risk Owner (SIRO) to discuss and agree an action plan for this issue | | | |
| 3 | Change Management – the current scale and pace of change due to a number of factors presents a risk to achieving objectives and may impact the extent to which the organisation is capable of maintaining acceptable levels of compliance amid the shake up of operations and control systems. These factors include the following: <ul style="list-style-type: none"> • response to the global pandemic • recovery from the global pandemic • external factors e.g. regulatory change and compliance, climate change • internal factors e.g. Organisational Development plan to deliver the digitalisation/transformation of service delivery, bringing Leisure in-house | Audit Managers | The Audit Plan 2021/22 approved by Audit & Governance in March 2021 will continue to be flexible with updates/changes to the plan report quarterly to enable the Audit Manager to respond to emerging issues. Audit Manager to provide advice and guidance/support to the Organisational Development Project Group to ensure that an adequate control environment continues to be in place throughout the transformation period. The Audit Plan 2021/22 includes time for a review of the new in-house leisure service. The Deputy Chief Executive has been tasked with leading the transformation Programme and has set up a dedicated team to address the ambitious program. | No further updates at this stage. | | | |

