

Chichester District Council

Report of Corporate Governance and Audit Committee to Full Council

Background

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

To this end members and senior officers are responsible for ensuring that proper arrangements exist for the governance of the Council's affairs and stewardship of its resources.

In March 2018 the Corporate Governance & Audit Committee considered the Strategic and Organisational Risk Registers to ensure the adequacy of the Council's actions to control and manage risks.

During 2017/2018 the three highest risks identified in the Corporate Risk Register were:

- **Southern Gateway:** Failure to deliver the outcomes of the project leading to financial exposure to CDC as lead partner, and potential repayment of the Local Enterprise Partnership and other funding.
- **Local Plan:** Failure to complete the Local Plan Review and achieve an adopted Local Plan by 2020. This would mean that the Council would face challenge that it does not have an up to date Local Plan.
- **Impact of Universal Credit (UC) on working claimants across the District:** Failure to provide appropriate support and guidance for claimants affected by the welfare reforms, including the rollout of Universal Credit (UC) on working age claimants across the district, resulting in the risk of rent arrears and the threat of homelessness.

The five year financial model was used to help set out the action required to reduce the impact of any government funding gap on service delivery, building on savings and increased income already achieved of £8.6m from 2010-2011 to 2015-2016 after taking early action as the 2008 financial crisis started to emerge. Since May 2013, revenue savings of £2.2m have been achieved, and additional income of £1.4m has been generated. As new deficit reduction plan was approved in the autumn of 2016 to address the £3.8m funding gap anticipated over the next 5 years. The five year model has been updated to reflect officer's best estimates of what may occur in 2018-19 and beyond. The model will be kept under review so that the Council has time to respond should the situation, and government funding, deteriorate faster than currently predicted. The four year funding offer that the government announced alongside the 2016-17 settlement has been built into the 5 year model and covers the period 2017-18 to 2019-20. Officers have therefore had to make assumptions beyond that point.

The Annual Governance Statement as attached at appendix 2 has been prepared in accordance with the CIPFA / SOLACE guidance on “Delivering Good Governance in Local Government”. The Statement is attached and clearly sets out the 7 fundamental principles of good governance (A to G) as identified below:

- A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B Ensuring openness and comprehensive stakeholder engagement.
- C Defining the outcomes in terms of; sustainable economic, social and environmental benefits.
- D Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E Developing the entity’s capability of its leadership and the individuals within it.
- F Managing risks and performance through robust internal control and strong public financial management.
- G Implementing good practices in transparency reporting, and audit to deliver effective accountability

Other Potential Risk Issues

The drafting of the Annual Governance Statement has highlighted some risks that are ongoing and receiving attention from those charged with governance. These can have common themes and can overlap with other areas of risk that have been identified. They are being monitored to track whether there are any changes in their risk score. The risks identified are listed below:

- **Business Continuity:** Document storage solution is held off site which enables staff to access key documents in the event of loss of IT services and systems. The Health & Safety Manager will continue to test the robustness of the plans with SLT.
- **Cyber Risk Attack Across ICT Estate:** Procedures and Policies are in place to deal with the risk. Controls in place include email filtering, and Anti-Virus software.

Other than those areas set out above, which are themselves subject of further on-going review, members of the Committee are assured that key systems are in place within the Council. This is supported by the internal audit service, which has the responsibility to review independently and report to Committee.

Tricia Tull
Chairman of Corporate Governance & Audit Committee