

Chichester District Council

Council – 21st November 2017

Report of Corporate Governance and Audit Committee

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 2017 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 2016/2017 the three highest risks identified in the Corporate Risk Register were:

- **Business Continuity:** That a business continuity incident occurs and the organisation fails to respond effectively and continue to deliver services.
- **Cyber Attack Across Entire Estate:** Failure to have necessary processes and procedures in place to prevent a Cyber Attack.
- **Non Achievement of Recycling Target of 50% by 2020:** Failure to achieve a Recycling Target of 50% by 2020 could mean the Council will incur significant fines.

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. A 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 Council also signed up to the Government's four year funding settlement to give greater certainty of funding in trying to balance the Council's budget over the medium term.

Annual Governance Statement

The Annual Governance Statement as attached at appendix 1 has been prepared in accordance with the CIPFA / SOLACE guidance on "Delivering Good Governance in Local Government". The Statement is attached in Appendix 1 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

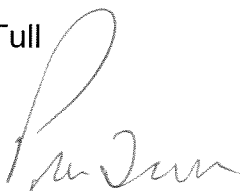
Other Potential Risk Issues

The drafting of the Annual Governance Statement has highlighted some risks that have either come to light or which 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 as being new or emerging are listed below:

- **Health & Safety:** Health & Safety officers carried out during 2016/2017 H&S challenges with each Head of Service (HoS) which will give a generic view of the level of compliance within teams. Action plans were put together identifying areas for improvement. The challenges resulted in an action plan for each HoS where areas of weakness were identified.
- **Breach of Data Protection Act:** Failure to keep all personal data secure leading to a breach of the Data Protection Act resulting in fines and reputational risk. To mitigate this targeted training for key officers whose role requires them to process personnel or sensitive data is to be provided by an external provider in 2017 – 2018 to refresh individuals' knowledge and increase awareness.

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