

Key Issues

This Statement is intended to provide reasonable assurance. It is stressed that no system of control can provide absolute assurance against material misstatement or loss. In concluding this overview of the Council's governance arrangements, 6 issues have been identified that need to be addressed to ensure continuous improvement in the Governance Framework. The aim is to address these weaknesses during the 2018-19 financial year, by way of an action plan for improving the governance framework and system of internal control. This will be subject to monitoring by the Overview and Scrutiny Committee.

Status	Control Issue	Action Proposed	Responsibility	Target Date	Current Position
<b>Brought Forward and amended</b>	On-going and future changes to the Council's financial framework including several changes to national and local funding regimes will increase the financial pressure on the Council and risk profile. These changes arise from continued downward pressure on government funding of Councils as confirmed in the indicative long term financial settlement	<p>The agreed Medium Term Financial Strategy of the Council reflects the expected need to make future savings over the medium term taking into account anticipated changes in financing. This informs the budget process for future years.</p> <p>The s151 Officer considers the risk as part of the closure of accounts including the need to make appropriate</p>	Chief Finance Officer (s151)	Ongoing, but with review of financial monitoring by October 2018. Quarterly reporting thereafter	<p>Work has been undertaken during the current year to ensure members are fully informed of, and involved in, shaping the budget strategy ahead of key meetings in February 2019. This is based on a root and branch review, which has covered budgetary needs, pressures, savings and the capital programme.</p> <p>Financial monitoring has been reviewed</p>

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	Ensure that officers and members receive adequate and robust financial information on which to base budget decisions	provisions and reserves at the year-end.  Review budget monitoring processes and information flows and reporting arrangements			and new reporting arrangements have been put in place from October 2018. This includes regular quarterly budget monitoring reports, the first of which was presented for Q2 (taking account of expenditure up to September)
<b>Brought forward</b>	The Corporate Peer Challenge findings recommended a review of Governance arrangements	The areas highlighted were: Political Leadership Succession planning, Member development, involvement of members in priority setting	Members and Chief Executive	Ongoing	Although the Corporate Peer Challenge findings recommended a review of Governance arrangements, the Peer Review Revisit (2018) focus for development was on valuing staff, leadership and strategic planning and delivery. The Revisit results have been presented to and agreed by full Council (December 2018) and work will now be done involving the Chief Executive and the

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					Peer Review Working Party. It is anticipated that this will be a rolling work programme, which has already started. The details of this are outlined in the report to Council (December 2018).
<b>Brought forward</b>	The results of the recent Staff Survey indicated the bullying of employees within Ryedale District Council.	Overview & Scrutiny Committee is conducting a full investigation into the indication of bullying of employees. Officers will comply with all requests for information that the Committee makes in relation to the investigation. A budget of £10,000 (funded from general reserves) was agreed to facilitate this.	Chief Executive and Members	Ongoing	The CEX is progressing with staffing related matters arising from the investigation into bullying and Barry Khan, Assistant Chief Executive (Legal and Democratic Services), has been appointed as a Deputy Monitoring Officer to deal with any member related issues arising from the investigation. Overview and Scrutiny will revisit this matter in early 2019 when the CX bring backs a report on actions relating to staffing issues.

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<b>2018-19</b>	Ensure that arrangements regarding shared services, such as HR, payroll and financial support are in place to support the Council.	Monitoring of performance	Chief Executive, Section 151 Officer, Deputy Chief Executive and Head of HR.	Ongoing	Initial arrangements were put in place prior to August 2018. They are now being monitored to assess impact and what's necessary for maintaining a strong organisation in the longer-terms. In addition to this checks were commissioned to assess the health of the organisation in key areas of the business such as HR and OD. This has resulted in additional capacity being bought in to address historical performance issues. A review of the arrangements required for 2019/20 is currently being undertaken to ensure that the organisation has the resilience required. This is being led by the relevant officer and the CX, with the aim

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					<p>of ensuring that any pressures are included in budget proposals that will be presented to Council in February 2019.</p> <p>The Collaboration Agreement which is being drawn up between NYCC and RDC will be reviewed following this work.</p> <p>In relation to Scarborough, the new DCX post (which is currently being recruited) will review current arrangements, ensuring they are fit for purpose.</p>
<b>Amended</b>	The audit opinion of the control environment for the management of risk is “provides limited assurance”. This has been updated from “weak” in the previous year, but a number of issues remain which will	An action plan has been agreed including sharing risk register with OSC, regularly reviewing risks, looking at online training	S151 officer	October 2018	Action plan now agreed and this is in the process of being implemented. Training provided to members in December and a workshop held with managers to identify risk and mitigating actions

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	ensure this remains a priority.				