

REPORT TITLE: GOVERNANCE SUMMARY REPORT: QUARTER 2 (2017/18)

7 DECEMBER 2017

REPORT OF PORTFOLIO HOLDER: CLLR ASHTON – PORTFOLIO HOLDER FOR FINANCE

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WARD(S): ALL

PURPOSE

To provide members of the Audit Committee with a summary overview of the key issues in respect of governance from the second quarter of the 2017/18 financial year.

RECOMMENDATIONS:

1. That the Committee notes the content of the report and the progress against the Annual Governance Statement Action Plan in Appendix 1 and Internal Audit Progress report included in Appendix 2,
2. That any issues arising from the information in the report be raised with the Portfolio Holder and consideration is given to whether any items of significance need to be drawn to the attention of Cabinet.

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 This summary document supports the Council's approach to providing efficient public services by managing and highlighting the latest key governance issues for action.

2 FINANCIAL IMPLICATIONS

- 2.1 None identified.

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None identified.

4 WORKFORCE IMPLICATIONS

- 4.1 None.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the Report has been undertaken with the Portfolio Holder for Finance and the Chairman of the Audit Committee.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 There are no environmental considerations associated with the content of this report.

9 RISK MANAGEMENT

Risk	Mitigation	Opportunities
<i>Reputation – ensuring an effective governance framework</i>	This report is a summary of the arrangements in place to ensure the Council's governance processes and procedures are robust and fit for purpose.	By pulling together the latest issues from across governance information this gives the committee more of an opportunity to identify any cross-cutting themes that might occur.

10 SUPPORTING INFORMATION:

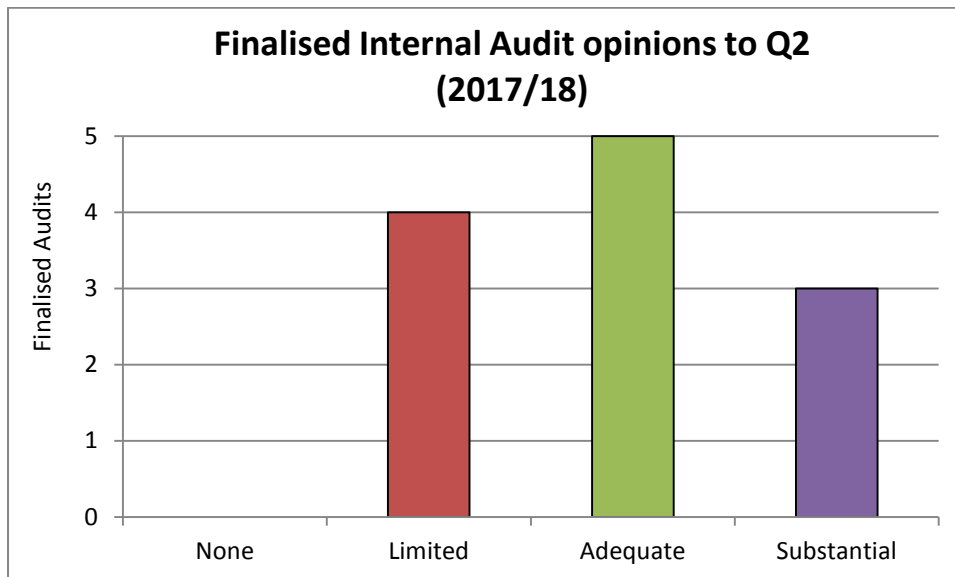
- 10.1 This report sets out the summary information in respect of the second quarter of the 2017/18 financial year concerning governance.

Annual Governance Statement

- 10.2 The Committee approved the updated Annual Governance Statement (AGS) at its last meeting on 28 September 2017, which was included with the Council's Annual Financial Report 2016/17 (Report [AUD196](#) refers).
- 10.3 Appendix 1 sets out the progress that has been achieved since 1 April 2017 against the actions to manage the issues identified in the AGS.

Internal Audit assurance reports

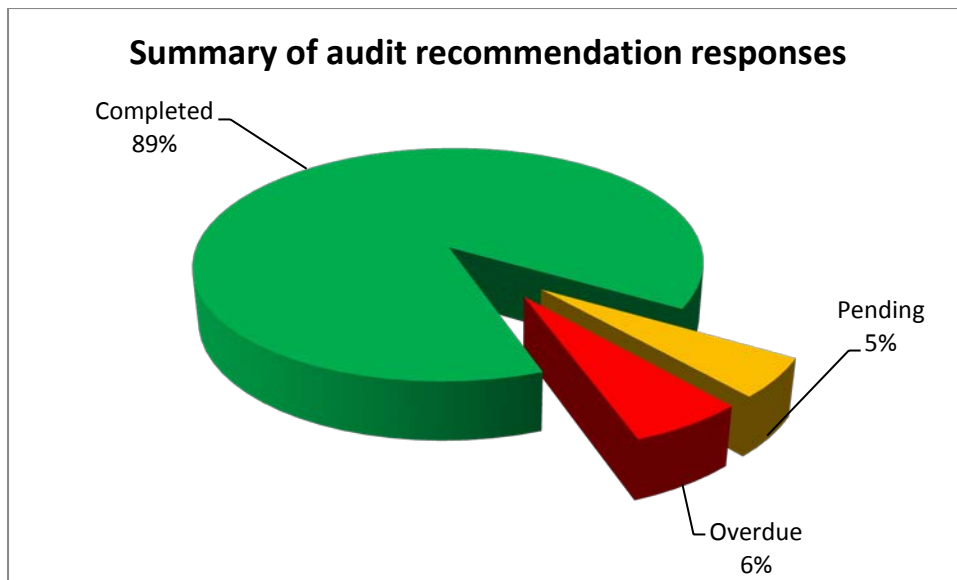
- 10.4 The graph below shows the assurance levels of internal audits completed in during the first six months of 2017/18 and relate the 2017/18 Audit Plan.



- 10.5 The limited assurance reviews are in respect of four audits and these were for Contract Management, Cash Office, Recruitment and Partnership Working.
- 10.6 Three of these audits were originally part of the 2016/17 Internal Audit Plan, and finalised during the first quarter of 2017/18. The Partnership Working audit is included in the 2017/18 Internal Audit Plan.

Internal Audit Management Action Tracking

- 10.7 The chart below shows the current position (since 1 April 2015) of the progress of the management actions arising from internal audit reports. More detailed information is provided in the Internal Audit Progress Report included as Appendix 1.



- 10.8 Progress against the management actions that are included in the Internal Audit reports are reviewed regularly and a summary table showing the status of these actions is reported on a quarterly basis. These recommendations and actions are kept under regular review to assess where some are superseded by external or internal factors.
- 10.9 To support the Committee quickly identify where there are overdue actions, the progress table that has been previously reported has been updated to include only the audits where there are overdue actions. Good progress is being made by officers to complete their internal audit recommendations.
- 10.10 The table below has been updated and includes only the internal audits where there are currently overdue actions.
- 10.11 There are currently 24 overdue audit actions with one being of high priority which relates to the recent Contract Management audit.
- 10.12 There are a number of recently completed internal audits that have pending but not yet overdue actions, and as such are not included in the table.
- 10.13 Appendix 2 to this report includes the detailed Internal Audit Progress report provided by the Southern Internal Audit Partnership.

Status of 'live' reports with overdue actions

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')				
				Reported	Not Accepted	Pending	Cleared	Overdue
There are no outstanding actions relating to audit reports issued prior to 2015.								
Income Collection – Residential Parking Permits	04/11/15	CD	Limited	6 (0)	0 (0)	0 (0)	4 (0)	2 (0)
Training and Development	18/02/16	CX	Limited	11 (4)	0 (0)	0 (0)	9 (4)	2 (0)
Main Accounting (Reconciliations)	06/04/16	HoF	Adequate	11 (0)	0 (0)	0 (0)	10 (0)	1 (0)
Hampshire Cultural Trust	24/05/16	CD	Limited	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)
Procurement and contract management – Street Markets	18/08/16	CD	Limited	7 (4)	0 (0)	0 (0)	4 (4)	3 (0)
Ethical Governance	25/10/16	HoLDS	Adequate	12 (1)	0 (0)	0 (0)	7 (1)	5 (0)
Environmental Health	04/11/16	CD	Adequate	10 (9)	0 (0)	0 (0)	9 (9)	1 (0)
Data security and management	21/02/17	CPS	Adequate	1 (0)	0 (0)	0 (0)	0 (0)	1 (0)
Recruitment	18/05/17	CX	Limited	6 (0)	0 (0)	0 (0)	1 (0)	5 (0)
Contract management (Leisure, Waste Management and Street Cleansing)	29/06/17	CD	Limited	9 (4)	0 (0)	2 (2)	5 (1)	2 (1)
Telecommunications	05/07/17	CDPS	Adequate	8 (0)	0 (0)	0 (0)	7 (0)	1 (0)

External Audit

- 10.14 Following Audit Committee's recommendation to Council that it opted-in to the Public Sector Audit Appointments (PSAA) offer to procure and appoint the Council's external auditors from 1 April 2018 (Report [AUD178](#) refers) and Council's subsequent approval of this in January 2017; PSAA have provisionally assigned Ernst & Young LLP to us.
- 10.15 The PSAA Board will consider all proposed auditor appointments at its meeting on 14 December 2017 and will confirm the appointment formally soon afterwards.

The Corporate Risk Register

- 10.16 At its meeting on 26 April 2017, Cabinet approved the updated Risk Management Policy for 2017 (Report [CAB2922](#) refers).
- 10.17 More recently, two workshops have now been held with Cabinet members and officers to review the risks that are included on the Council's Strategic Risk Register. The purpose of the workshop was to consider the risks that the Council is facing over the short to medium term and in particular the risks faced by the Council as it strives to deliver the outcomes included in the updated Council Strategy.
- 10.18 The following risks have been agreed as being the most significant strategic risks to the Council and would be coming forward on the Council's Strategic Risk Register:

Corporate Risk	Risk Number
Customer Insight and Engagement with Change	1
External Financial Changes and Planning for them	2
Effective Decision Making	3
Reliance of Strategic Partners	4
Capacity to Deliver	5
Business Continuity	6
Getting Strategic Planning Right	7
Strategic Housing for Housing	8

- 10.19 The diagram below is a 'heat map' which presents visually the results of a risk assessment process for each of the Corporate Risks against the Council's score matrix.
- 10.20 The 'heat map' shows where each Corporate Risks has been scored against the impact and likelihood criteria that are included in the Risk Management Policy. The numbers in the heat map refer to the risk number in the table above.

Corporate Risk Heat Map

		I M P A C T			
		Low	Moderate	Major	Significant
L I K E L I H O O D	Highly Likely				
	Likely			① ②	
	Unlikely			⑤ ⑥ ⑦ ⑧	③ ④
	Highly Unlikely				

Likelihood Rating

Likelihood	Probability
Highly Unlikely	1% to 25% chance in 5 years
Unlikely	26% to 50% chance in 5 years
Likely	51% to 75% chance in 5 years
Highly Likely	76% to 100% chance in 5 years

Contract Management

- 10.21 During consideration of the Audit Results Report for the Year Ended 31 March 2017 (Report [AUD195](#) refers) at the meeting held on 28 September, Members of Audit Committee raised questions in response of the conclusion in the Report that the contract management arrangements remained an area of particular weakness for the Council.
- 10.22 It was agreed that an update on the progress against the actions included in the recent Internal Audit on Contract Management be reported to this meeting of the Committee.
- 10.23 The audit focussed on the system of contract management that was in place across the following contracts, which are significant to the Council:

- Leisure Contract
- Environmental Services Contract

10.24 Management actions have been agreed and when completed will bring the risks within acceptable parameters. Internal Audit has assessed the actions that will achieve an acceptable level of risk exposure.

10.25 Arising from the audit there are nine management actions, of which four have been classified as high priority.

10.26 Since the final audit report was issued on 29 June 2017, five actions have been completed and a further two actions are in progress and not yet reached their target date.

10.27 There are two actions that have not been completed and have passed their target date. One of these actions is classified as high priority.

10.28 Appendix 3 to the Report provides an update on the actions that were included in the Audit Report.

11 OTHER OPTIONS CONSIDERED AND REJECTED

11.1 None, this report is a summary of governance related items.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[AUD194](#) Governance Summary Report Q1 (2017/18)

Other Background Documents:-

None.

APPENDICES:

Appendix 1 Annual Governance Statement 2016/17 Progress Update

Appendix 2 Internal Audit Progress Report (November 2017)

Appendix 3 Contract Management Audit – Progress Update

Annual Governance Statement 2016/17 Action Plan

Progress Report – November 2017

No.	Issue	Actions	Progress Update	Lead Officer	Original Completion Date	Current Status
1	Asset Management – the need to ensure that the Council has the capacity and skills to deliver the recently approved Asset Management Plan.	Regular monitoring and reporting of the progress against the actions in the Asset Management Action Plan to be undertaken.	Updated Asset Management Plan to be considered by Members early 2018.	AD (Estates & Regeneration)	Ongoing	Green
		Internal Audit planned for 2018/19 to review the assurance over effectiveness and delivery of Asset Management Plan including repairs and maintenance to non-housing assets (planned and reactive)	Internal Audit scheduled for next financial year.	AD (Estates & Regeneration)	Audit start date to be agreed	Green
2	Partnerships – ensuring that each of the Council's partnerships are properly constituted and have the appropriate governance arrangements in place.	Identify and record a database of all partnerships that the Council is participating in.	Initial workshop held with heads of teams to identify all partnerships.	Head of Policy & Projects	December 2017	Green
		Review the governance arrangements for each partnership.	Underway following workshop (see above)	Head of Policy & Projects	September 2017	Amber
		Working in Partnership internal audit included in Audit Plan and scheduled for 2017/18 which will review assurance over governance, contingency arrangements, exit strategies and hosting arrangements (accountabilities).	Internal Audit Completed and Action Plan agreed. Work underway to complete management actions included in the Audit Report.	Head of Policy & Projects/ Internal Audit	December 2017	Complete

No.	Issue	Actions	Progress Update	Lead Officer	Original Completion Date	Current Status
3	Capacity – ensuring that the Council has the capacity to deliver the outcomes included in the Council Strategy and Portfolio Plans by recruiting and retaining staff.	Development and approval of Workforce Development Plan for the Council.	Employee Strategy considered by Personnel Committee at its meeting on 23 November (Report PER304 refers)	AD (Service & Organisational Development)	September 2017	Complete
		Quarterly performance monitoring which will identify slippage in delivering the outcomes in the Council Strategy and actions in Portfolio Plans	Quarterly monitoring now in place and reported to O&S and Cabinet regularly. Most recent report, OS183 , 20 November 2017 refers	Corporate Director (PS)	August 2017	Complete
		Internal audit planned for 2017/18 to seek assurance over transformation initiatives including resource management	Internal Audit scheduled for later in the year	AD (Policy & Planning)/ Internal Audit	Audit start date to be agreed	Green
		Programme and Project Management internal audit also scheduled for 2017/18	Internal Audit scheduled for later in the year	AD (Policy & Planning)/ Internal Audit	Audit start date to be agreed	Green
		HR internal audit planned for 2017/18 which will review training and development, workforce development and flexible working.	Fieldwork completed, awaiting draft report to be issued.	HR Manager/ Internal Audit	March 2018	Green
4	Data Sharing and Data Security – adoption of the new requirements of the General Data Protection Regulations (GDPR).	Agreement that GDPR should be managed as a Council major project	A key project for the Council. Updates to be received and considered at newly created Information Governance Officer Group.	Corporate Director (PS)	September 2017	Amber

No.	Issue	Actions	Progress Update	Lead Officer	Original Completion Date	Current Status
		Communicate to staff the changes in the regulations	Presentations given to senior managers and staff who are impacted by the changes	Head of Legal & Democratic Services	October 2017	Complete
		Completion of project plan for the implementation of GDPR	Project plan completed.	Head of Legal & Democratic Services	September 2017	Complete
		Information Governance internal audit planned for 2017/18 which review information governance arrangements incl DPA, FOI, Transparency and preparation for the GDPR in May 2018	Internal Audit fieldwork underway.	Head of Legal & Democratic Services/ Internal Audit	March 2018	Green
5	Procurement and Contract Management – ensuring that the Council maintains a comprehensive, publicly accessible contract register, following its own contract procedure rules.	Increase staff awareness of the requirement to maintain a contract register	Briefing given to senior managers at the meeting held on 5 December.	Corporate Director (PS)	October 2017	Amber
		Training for staff on how to input contract data onto the public contract register	Revised staff training plan due to changes to the contract register solution.	HR Manager	November 2017	Amber
		Internal audit scheduled for 2017/18 that will review non-compliant/effective procurement (DPA, FOI, Transparency etc, exposure to reputational/financial risk.	Internal Audit scheduled for later in the year	Corporate Director (PS)	Audit start date to be agreed	Green
		Procurement internal audit scheduled for 2017/18 reviewing compliance with contract procedure	Internal Audit scheduled for later in the year	Corporate Director (PS)	Audit start date to be	Green

No.	Issue	Actions	Progress Update	Lead Officer	Original Completion Date	Current Status
		rules and legislative requirements			agreed	
6	Corporate Peer Review Action Plan	Completion of the actions included in the 2017 Corporate Peer Challenge Action Plan , including a review of political structures and developing a shared understanding of the financial challenges ahead	Good progress is being made against the actions arising from the Peer Challenge Review.	Corporate Director (PS)	October 2017	Green

Internal Audit Progress Report

November 2017

Winchester City Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively.

The Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations objectives.

2. Purpose of report

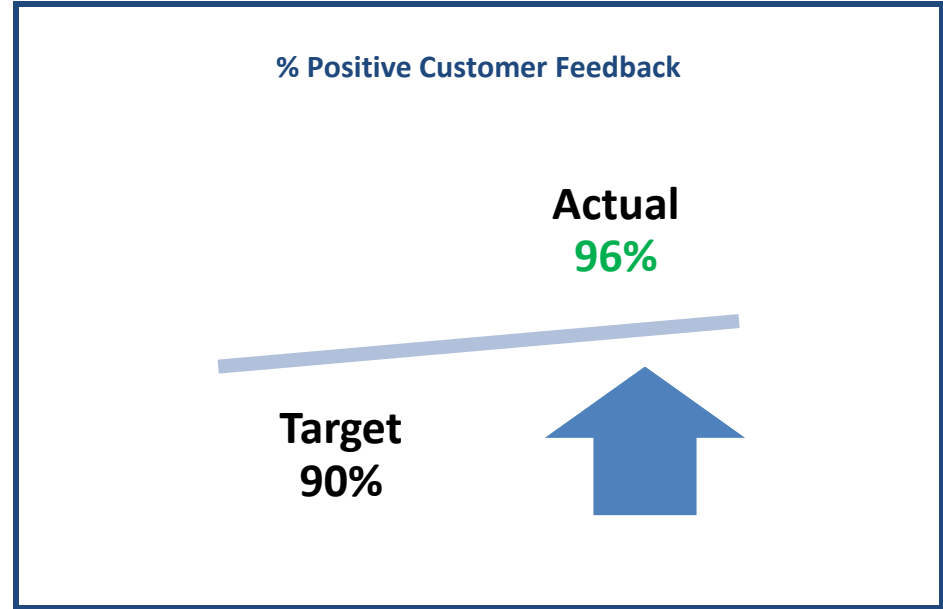
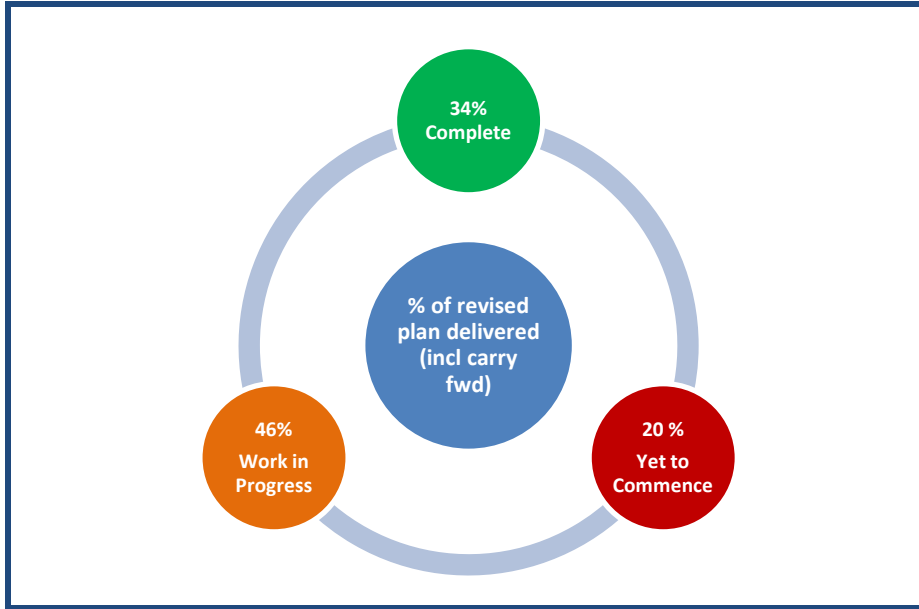
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to 'Senior Management' and 'the Board', summarising:

- The status of 'live' internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial	A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified
Adequate	Basically a sound framework of internal control with opportunities to improve controls and / or compliance with the control framework. No significant risks to the achievement of system objectives have been identified
Limited	Significant weakness identified in the framework of internal control and / or compliance with the control framework which could place the achievement of system objectives at risk
No	Fundamental weaknesses identified in the framework of internal control or the framework is ineffective or absent with significant risk to the achievement of system objectives

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards / Local Government Application Note	
	<p>An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. The report concluded:</p> <p><i>'It is our view that the Southern Internal Audit Partnership 'generally conforms' (top grading) to all of the principles contained within the International Professional Practice Framework (IPPF); Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).</i></p> <p>In accordance with PSIAS, a further self assessment was completed in April 2017 concluding that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN.</p>

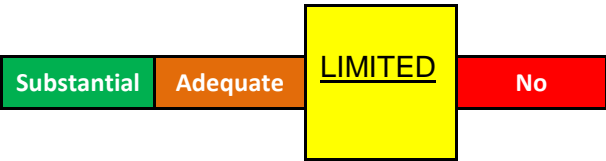
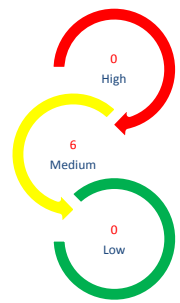
4. Status of 'Live' Reports

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')				
				Reported	Not Accepted	Pending	Cleared	Overdue
There are no outstanding actions relating to audit reports issued prior to 2015.								
Income Collection – Residential Parking Permits	04/11/15	SDR	Limited	6 (0)	0 (0)	0 (0)	4 (0)	2 (0)
Training and Development	18/02/16	CX	Limited	11 (4)	0 (0)	0 (0)	9 (4)	2 (0)
Main Accounting (Reconciliations)	06/04/16	SDR	Adequate	11 (0)	0 (0)	0 (0)	10 (0)	1 (0)
Hampshire Cultural Trust	24/05/16	SDR	Limited	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)
Fieldfare LEADER Programme 2014-2021 Governance Arrangements	08/08/16	SDR	Limited	24 (15)	0 (0)	0 (0)	24 (15)	0 (0)
Procurement and contract management – Street Markets	18/08/16	SDR	Limited	7 (4)	0 (0)	0 (0)	4 (4)	3 (0)
Procurement and contract management – Housing Cleaning	17/08/16	SDS	Limited	9 (1)	0 (0)	1 (0)	8 (1)	0 (0)
Ethical Governance	25/10/16	SDR	Adequate	12 (1)	0 (0)	0 (0)	7 (1)	5 (0)
Environmental Health	04/11/16	SDS	Adequate	10 (9)	0 (0)	0 (0)	9 (9)	1 (0)

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')				
				Reported	Not Accepted	Pending	Cleared	Overdue
Data security and management	21/02/17	SDR	Adequate	1 (0)	0 (0)	0 (0)	0 (0)	1 (0)
Information governance	28/03/17	SDR	Adequate	11 (1)	0 (0)	7 (1)	4 (0)	0 (0)
Disabled Facilities Grants	05/04/17	SDS	Adequate	9 (2)	0 (0)	0 (0)	9 (2)	0 (0)
Recruitment	18/05/17	CX	Limited	6 (0)	0 (0)	0 (0)	1 (0)	5 (0)
Cash Office	19/05/17	SDR	Limited	11 (0)	0 (0)	0 (0)	11 (0)	0 (0)
Contract management (Leisure, Waste Management and Street Cleansing)	29/06/17	SDS	Limited	9 (4)	0 (0)	2 (2)	5 (1)	2 (1)
Telecommunications	05/07/17	SDR	Adequate	8 (0)	0 (0)	0 (0)	7 (0)	1 (0)
Cyber Security	27/09/17	SDR	Adequate	5 (1)	0 (0)	5 (1)	0 (0)	0 (0)
Working in Partnership	05/10/17	SDR	Limited	6 (0)	0 (0)	6 (0)	0 (0)	0 (0)

Audit Sponsor (Director)	
Chief Executive	CX
Strategic Director - Resources	SDR
Strategic Director - Services	SDS
Strategic Director – Place	SDP

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

Working in Partnership		
<p>Directorate Sponsor: Joseph Holmes - Strategic Director: Resources</p> <p>Key Contacts: Peter Brown – Head of Policy and Projects; All Assistant Directors</p> <p>Final Report Issued: 05/10/2017</p>	<p>Assurance opinion:</p> 	<p>Management Actions:</p> 
<p>Summary of key observations:</p> <p>Whilst there is an awareness of the resource implications and the anticipated benefits for the Council when entering a partnership, the initial entry assessment and any on-going performance monitoring is generally informal. It should be noted that each of the Heads of Teams confirmed that they considered all of their partnerships contributed towards the achievement of the Council’s strategic priorities.</p> <p>When formalised, for example, the statutory Community Safety Partnership, there were found to be well documented governance arrangements in place with formal performance monitoring and reporting to senior officers and Members, however, for a vast majority of the Council’s partnerships there were found to be little or no documented arrangements in place.</p> <p>The "Partnership Working - Key Principles" is a high level guidance document, providing a definition of a partnership and outlining that the Assistant Directors should play a role in assessing governance arrangements as appropriate to the type of partnership. Whilst it is appreciated a ‘one size fits all’ approach is not appropriate; testing would suggest stronger guidance is required to assist officers assess proportionality of governance arrangement’s commensurate to the size and significance of the partnership.</p> <p>Officer Update: Work is underway to address the issues raised in the audit report with a workshop having been held with key partnership leads to identify and agree the list of partnerships.</p>		

A Partnership Guidance document has been drafted which sets out a series of tiers and criteria that can be applied to each of the partnerships. This will enable the Council to prioritise them in relation to the level of financial commitment and risk.

6. Fraud and Irregularities

In accordance with the Local Government Transparency Code 2015 there is a requirement on local authorities to publish the following information with regard counter fraud work:

Local Government Transparency Code 2015	01.04.17 - 31.10.17
Part 2 Requirements - Fraud	
Number of occasions powers under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers have been used	Nil
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud	2 fte*
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists	4 fte*
Total amount of time spent by the authority on the investigation and prosecution of fraud	22 days ***
Total number of new fraud cases investigated	1 **

*relates to internal audit staff across the wider SIAP only (does not include other areas of the Council that may affect reported figures i.e. legal, HR, Trading Standards, departmental investigating officers etc.)

**the definition of fraud is as set out by the Audit Commission in *Protecting the Public Purse - 'the intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss.'*

***relates to SIAP staff only and includes time spent on proactive fraud initiatives to identify or prevent potential fraud that may not result in a formal investigation or prosecution.

7. Planning & Resourcing

The internal audit plan for 2017-18 was approved by the Council's Management Team and the Audit Committee in March 2017.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 8

8. Rolling Work Programme

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Carry Forward Reviews									
Climate change / energy management	SDS	✓	✓	✓	✓	✓	Substantial	✓	16/17 Annual Opinion.
Contract management (Leisure, Waste Management and Street Cleansing)	SDS	✓	✓	✓	✓	✓	Limited	✓	16/17 Annual Opinion
Vanguard Governance	SDR	✓	✓	✓	✓	✓	n/a	✓	Advice/Consultancy
Procurement	SDR	✓	✓	✓	✓	✓	Adequate	✓	16/17 Annual Opinion
Telecommunications	SDR	✓	✓	✓	✓	✓	Adequate	✓	16/17 Annual

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
Housing planned maintenance	SDS	✓	✓	✓	✓			✗	16/17 Annual Opinion. Draft report 19/05/17. Management response outstanding
2017-18 Reviews									
Strategic Risks									
Programme & Project Management									
Transformation									
Financial Stability	SDR	✓	✓	✓				✓	
LGA Peer Review – Follow up	CX	✓	✓					✓	
Corporate Strategy - Delivering an Entrepreneurial approach to efficient public services									
Income generation and collection	SDR	✓	✓	✓				✓	

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ⚠ Delay)	Comment
Working in Partnership	SDR	✓	✓	✓	✓	✓	Limited	✓	
Housing Finance	SDS	✓	✓	✓	✓			✓	
Housing Asset Management	SDS	✓	✓	✓	✓	✓	Substantial	✓	
Environmental Services Contract (joint with EHDC)									
Business Continuity & Emergency Planning	SDR	✓	✓	✓				⚠	Delayed due to reprioritisation
Corporate governance									
HR	SDR	✓	✓	✓				⚠	Delayed due to Head of HR availability
CIPFA/Tecaff Fraud Survey	SDR	-	-	✓	n/a	✓	n/a	✓	
Proactive Fraud Initiatives (Social Housing)	SDR	✓	✓	✓				✓	

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule 🔴 Delay)	Comment
Proactive Fraud Initiatives (Fraud Risk Register/Analytics)									
Proactive Fraud Initiatives (Training)									
National Fraud Initiative (NFI)	SDR	-	-	✓				✓	
Procurement									
Information Governance	SDR	✓	✓	✓				✓	
Core Financial Reviews									
Housing Benefits	SDR	✓	✓	✓				✓	
Accounts Receivable/ Debt Management	SDR	✓	✓	✓				✓	
Treasury Management	SDR	✓	✓	✓				🔴	Delayed due to SIAP and WCC annual leave & system access issues

Audit Review	Audit Sponsor	Scoping	Audit Outline Issued	Fieldwork	Draft Report Issued	Final Report Issued	Assurance Opinion	Tracker (✓ on schedule ✗ Delay)	Comment
NNDR	SDR	✓	✓	✓				✓	
VAT Recording – Employee expenses	SDR	✓	✓	✓	✓	✓	n/a	✓	Advice/Consultancy
ICT									
Software licencing / management of assets	SDR	✓	✓	✓				✓	
Network management									
Cyber security	SDR	✓	✓	✓	✓	✓	Adequate	✓	
Business As Usual									
Bus Service Operator Grant	SDS	-	-	✓	n/a	n/a	n/a	✓	Grant work
Housing Capital Receipts Return	SDS	-	-	✓	n/a	n/a	n/a	✓	Grant work
Mayor's Charity	SDR	-	-	✓				✓	

Contract Management 2016/17 Audit

Progress Report – November 2017

Recommendation/ Agreed Action	High Medium Low	Agreed Target Date for Completion	Revised Due Date	Managed By	Status	Latest Note Date	Latest Note
JESC receive an annual report each November which includes CMT performance in terms of contract sanctions applied in order to rectify poor contractor performance. In order to support this process quarterly KPIs will be developed to specifically measure CMT performance	Medium	01-Oct-2017	n/a	Robert Heathcock	Complete	06-Nov-2017	Annual report due next month and will include the KPI data requested. Once they are happy with the content and format it will be provided quarterly although this may not coincide with the JESC meeting dates. The future of the CMT is also being considered as part of the Environmental Services Contract Option Appraisal process and the format and location of the CMT will depend upon the final option chosen. The final process will be in place by April 2018 once the options appraisal process has been completed
A revised procedure will be developed to provide additional scrutiny of invoices by CMT and subsequent checking by WCC prior to payment	Medium	01-Oct-2017	1 April 2018	Robert Heathcock	Red	06-Nov-2017	This action has been delayed by the outsourcing of the EHDC finance service which has just taken place. Revised procedures will be developed as part of those new arrangements and should be in place by April 2018. In the meantime the Head of Environment is meeting monthly with his Finance Business partner to review all budgets and spend.

Recommendation/ Agreed Action	High Medium Low	Agreed Target Date for Completion	Revised Due Date	Managed By	Status	Latest Note Date	Latest Note
Conclude the necessary legal documentation between Winchester City Council and Places for People Leisure for early termination of the leisure centre management contract	High	31-Oct-2017		Lisa Hall	Red		Terms are currently being negotiated with the contractor for the variation agreement.
Investigate a low cost solution to independently validate the accuracy of the level of income reported at both leisure centres and report back to the operator any discrepancies if found. . Clarify with the operator that inspection of financial records are required.	High	31-Dec-2017	31-Dec-2017	Amanda Ford	Green	29-Nov-2017	The financial reporting period has been revised for monitoring the income share to align thus enabling an easier reconciliation of financial information.
Clarify how the income share threshold was established for Meadowside Leisure Centre	High	31-Dec-2017	31-Dec-2017	Amanda Ford	Amber	29-Nov-2017	
Identify realistic trigger levels for performance default notices to be issued. For example, lower than an 80% score for building inspections and lower than an assessed % score for maintenance inspections. Lower than a mean score of 4 score for customer survey results	Medium	31-Aug-2017	n/a	Amanda Ford	Complete	25-Aug-2017	Action Notice has been introduced for outstanding maintenance work by the contractor. This to be followed up with a default rectification notice if the work has not been completed to the satisfaction of the Council. A score of 80% or above is required for the building inspections.
Update the corporate risk register to include all potential contract risks. For example, Leisure Centre Contractor failure to meet	High	31-Aug-2017	n/a	Amanda Ford	Complete	25-Aug-2017	The operational risk registers have been updated to include leisure centre contract risks for both the Sport and Physical Activity Service Plan and the

Recommendation/ Agreed Action	High Medium Low	Agreed Target Date for Completion	Revised Due Date	Managed By	Status	Latest Note Date	Latest Note
maintenance requirements to keep the building safe for items under the maintenance threshold							Estates and Regeneration Service Plan
Include risk as a heading on the maintenance meetings	Medium	31-Aug-2017	n/a	Amanda Ford	Complete	21-Aug-2017	Risk is now on the agenda for all maintenance meetings
Upload the leisure centre management contract onto the South East Business Portal	Medium	30-Sep-2017	n/a	Amanda Ford	Complete		