



Meeting	Audit and Governance Committee
Date and Time	Thursday, 9th January, 2025 at 6.30 pm.
Venue	Walton Suite, Guildhall, Winchester and streamed live on YouTube at <a href="http://www.youtube.com/winchestercc">www.youtube.com/winchestercc</a>

**Note:** This meeting is being held in person at the location specified above. Members of the public should note that a live video feed of the meeting will be available from the council's YouTube channel ( [youtube.com/WinchesterCC](http://youtube.com/WinchesterCC) ) during the meeting.

A limited number of seats will be made available at the above named location however attendance must be notified to the council at least 3 working days before the meeting. Please note that priority will be given to those wishing to attend and address the meeting over those wishing to attend and observe.

## AGENDA

### PROCEDURAL ITEMS

- 1. Apologies**  
To record the names of apologies given.
- 2. Disclosure of Interests**  
To receive any disclosure of interests from councillors or officers in matters to be discussed.

Note: Councillors are reminded of their obligations to declare disclosable pecuniary interests (DPIs), other registerable interests (ORIs) and non-registerable interests (NRIs) in accordance with the Council's Code of Conduct.

- 3. Chairperson's announcements**
- 4. To note the Audit & Governance work programme 2024/25 (Pages 5 - 6)**

### BUSINESS ITEMS

- 5. Minutes of the previous meeting held on 28 November 2024 (Pages 7 - 12)**



## 6. Public Participation

– To receive and note questions asked and statements made from members of the public on matters which fall within the remit of the Committee..

*NB members of the public are required to register with Democratic Services three clear working days before the meeting (see below for further details).*

Members of the public and visiting councillors may speak at this Committee, provided they have registered to speak three working days in advance. Please contact Democratic Services **by 5pm on Friday 3 January 2025** via [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) or (01962) 848 264 to register to speak and for further details.

7. **Certification of claims & returns annual report 2024/25 (AG150) (Pages 13 - 20)**
8. **Implementation of the Global Internal Audit Standards (AG151) (Pages 21 - 30)**
9. **Local Code of Corporate Governance (AG152) (Pages 31 - 66)**
10. **Dispensation request - County Council & City Council "Dual Hatters" (AG153) (Pages 67 - 72)**

**Laura Taylor**  
Chief Executive

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23 December 2024

Agenda Contact: Nancy Graham, Senior Democratic Services Officer  
Tel: 01962 848 235 email: [ngraham@winchester.gov.uk](mailto:ngraham@winchester.gov.uk)

*\*With the exception of exempt items, Agenda, reports and previous minutes are available on the Council's Website [www.winchester.gov.uk](http://www.winchester.gov.uk)*

## **MEMBERSHIP**

### **Chairperson:**

Morris (Liberal Democrats)

### **Vice-Chairperson:**

Chamberlain (Liberal Democrats)

### **Conservatives**

Godfrey

### **Liberal Democrats**

Cramoysan

Pinniger

Power

### **Deputy Members**

Bolton and Miller

Achwal V and Brophy

Quorum = 3 members

## **TERMS OF REFERENCE**

Audit and Governance Committee – Included within the Council's Constitution (Part 2, Article 9)

## **PUBLIC PARTICIPATION**

A public question and comment session is available at 6.30pm for a 15 minute period. There are few limitations on the questions you can ask. These relate to current applications, personal cases and confidential matters. Please contact Democratic Services on 01962 848 264 in advance of the meeting for further details. If there are no members of the public present at 6.30pm who wish to ask questions or make statements, then the meeting will commence.

*NB members of the public are required to register with Democratic Services three clear working days before the meeting (see below for further details).*

## **FILMING AND BROADCAST NOTIFICATION**

This meeting will be recorded and broadcast live on the Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Access to Information Procedure Rules within the Council's Constitution for further information, which is available to view on the [Council's website](#). Please note that the video recording is subtitled but you may have to enable your device to see them (advice on how to do this is on the meeting page).

## **DISABLED ACCESS:**

Disabled access is normally available, but please phone Democratic Services on 01962 848 264 or email [democracy@winchester.gov.uk](mailto:democracy@winchester.gov.uk) to ensure that the necessary arrangements are in place.

## WINCHESTER CITY COUNCIL – AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME – UPCOMING ITEMS

	<b>Item</b>	<b>Lead Officer</b>	<b>Date of Meeting</b>
1	Annual Financial Report 23/24	Liz Keys	25 Feb 2025
2	Planning for and audit of the 24/25 accounts	Liz Keys	25 Feb 2025
3	Internal Audit Charter 25/26	Liz Keys	25 Feb 2025
4	Internal Audit Plan 25/26	Liz Keys	25 Feb 2025
5	Q3 Governance Monitoring	Simon Howson	25 Feb 2025
6	Risk Management Policy 2025/26	Liz Keys	25 Feb 2025
7	Audit's Results Report & Auditor's Annual Report 23/24	Liz Keys	25 Feb 2025
8	Updated Equality, Diversity & Inclusion (EDI) Policy & Strategy	Simon Howson	25 Feb 2025

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## AUDIT AND GOVERNANCE COMMITTEE

Thursday, 28 November 2024

Attendance:

Councillors  
Morris (Chairperson)

Chamberlain  
Cramoysan

Godfrey  
Power

Apologies for Absence:

Councillors Pinniger

Deputy Members:

Councillor Brophy

Other members in attendance:

Councillors Becker (Cabinet Member for Community & Engagement) and Cutler (Cabinet Member for Finance & Performance)

[Video recording of this meeting](#)

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1. **APOLOGIES**

Apologies were received from Councillor Pinniger for whom Councillor Brophy deputised.

2. **DISCLOSURE OF INTERESTS**

There were no declarations of interest made.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

There were no announcements made.

4. **AUDIT & GOVERNANCE WORK PROGRAMME 2024/25**

The number of agenda items scheduled for the next meeting was noted and it was suggested that an additional meeting might be required before the end of the 2024/25 municipal year. The Director (Legal) agreed to consider this further and liaise with the Chair to make any necessary arrangements.

RESOLVED:

That the work programme for the remainder of the 2024/25 municipal year be noted.

5. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

That the minutes of the previous meeting held 26 September 2024 be agreed as a correct record.

6. **PUBLIC PARTICIPATION**

There were no members of the public present.

7. **TREASURY MANAGEMENT Q2 REPORT 24/25**  
(AG145)

Gemma Farley (Hampshire County Council) introduced the report and advised on an updated Arlingclose forecast on the Bank provided since the report was produced.

Gemma Farley and the Service Lead: Finance responded to questions on the report including providing further detail on paragraph 12.18 of the report and explaining the reason for the difference in the forecast liability since the previous year. It was also confirmed that it was a requirement of the Institute of Public Finance and Accountancy that the report was submitted quarterly to this committee.

RESOLVED:

1. That the Q2 Treasury Management Report for 2024/25 be noted.

2. That it be noted that all treasury management activity in the period was compliant with the council's Treasury Management Strategy.

8. **FINAL REPORT AND PAY POLICY STATEMENT 2025/26**  
(AG142)

The Director (Legal) introduced the report which set out the council's pay policy statement 25/26 for consideration and recommendation to Council. He confirmed that there were no material changes to the previous year, with the main differences relating to salaries following the nationally agreed 2024 local government and chief executive pay awards. He and the council's Employee Engagement Partner responded to members' questions.



A correction required to paragraph 5.2 of Appendix 1 of the report was noted to amend the ratio Highest: Lowest to 6:1.5 (rather than “Highest: lowest = 1.5:6” as stated).

### **RECOMMENDED (TO COUNCIL)**

**That the Pay Policy Statement for the financial year 2025/26 be adopted.**

9. **AUDIT COMPLETION REPORT 2022/23**  
(AG143)

Kevin Suter (EY) introduced the report and advised that the key headline was the intention to issue a disclaimer for the 2022/23 audit for reasons that were set out in their report and had been discussed at previous meetings. He emphasised that the disclaimer was not an indication of anything of concern and that the council had a good record of producing yearly accounts and supporting external audit in their work. He stated that the fees to be charged had not yet been agreed by the Public Sector Audit Appointments (PSAA).

Kevin Suter responded to members’ questions including confirming that EY were currently working on the 2023/24 audit with a report scheduled to the next meeting of the committee. However, it was anticipated further backstop dates would be required to deal with the backlog.

**RESOLVED:**

1. That the matters presented in the auditor’s report (Appendix 1) be noted.
2. That the *Letter of Representation* (Appendix 2) be approved.

10. **ANNUAL FINANCIAL REPORT 22/23**  
(AG144)

The Director (Finance) introduced the report and responded to members’ questions.

**RESOLVED:**

1. That the audited Statement of Accounts 2022/23 be approved as set out in Appendix 1.
2. That the Chair of the Audit & Governance Committee signs the Statement of Responsibilities on page 24 of Appendix 1 to certify the accounts and authorise their issue.

11. **Q2 GOVERNANCE MONITORING**  
(AG139)

The Senior Policy and Programme Manager introduced the report, highlighting that in addition to the usual quarterly governance monitoring it also included the annual Corporate Health and Safety report at Appendix 5. Antony Harvey (SIAP) was also present to answer any questions on the Internal Audit progress report (Appendix 2).

The Senior Policy and Programme Manager and Director (Finance) responded to members' question including on the recent IT server issues. It was agreed that an update be brought to a future committee outlining the lessons learned from the incident.

The Senior Policy and Programme Manager also responded to members' questions on Appendix 5 and agreed to provide further detail on the accidents reported and whether any modifications were required to safety arrangements. He also noted a number of recommendations to how the information in this appendix could be amplified together with suggested improvements to its presentation.

**RESOLVED:**

That the content of the report be noted, including the update provided in the Annual Corporate Health and Safety Report 2023/24 and the progress against the internal audit management actions.

12. **COMPLAINTS GUIDANCE AND PROCESS**  
(AG146)

The Director (Legal) introduced the report which outlined the revised complaints guidance and process following on from consideration of the Code of Conduct for Councillors at the previous committee and subsequent recommendation for agreement at full Council.

The Director (Legal) responded to members' questions including advising that as a first step, the recording of the on-line training carried out for all city councillors would be circulated to parish councils. If there was a demand, on-line training for parish councils would be offered in addition to in person training if required.

It was noted that page 37 of Part 3 of the Guidance (contained as Appendix 1 of the report) contained a duplicate example which could be removed.

**RECOMMENDED (TO COUNCIL):**

**That the arrangements for dealing with code of conduct complaints (Appendix 2 of report AG146) be adopted as a document that is incorporated into the Councils Constitution.**

RESOLVED:

1. That the guidance and arrangement for dealing with complaints be endorsed, as attached as Appendix 1 and 2 to the report.

2. That it be noted that the Monitoring Officer will advise all Town and Parish Councils within the district of the Guidance and arrangements for dealing with complaints including the offer of an online training session.

13. **MONITORING OFFICER'S ANNUAL REPORT 23/24**  
(AG147)

The former Monitoring Officer introduced the report and responded to members' questions thereon. She confirmed that paragraph 11.14 referred to Denmead Parish Council and she had requested asked the Director (Legal) as the new Monitoring Officer to review the work undertaken following the March 2023 meeting (report AG98 refers), liaise with the parish council and report back to a future meeting of this committee.

On behalf of the committee, the chair thanked the former Monitoring Officer for all her work.

RESOLVED:

That the Monitoring Officer's Annual Report 2023/24 be noted.

The meeting commenced at 6.30 pm and concluded at 8.25 pm

Chairperson

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REPORT TITLE: CERTIFICATION OF CLAIMS & RETURNS ANNUAL REPORT 2023/24

9 JANUARY 2025

REPORT OF CABINET MEMBER: Cllr Cutler – Deputy Leader and Cabinet Member For Finance and Performance

Contact Officer: Terri Horner Tel No: 01962 848 160 Email thorner@winchester.gov.uk

WARD(S): ALL

## PURPOSE

The purpose of the Certification of Claims and Returns Annual Report is to summarise the results of KPMG LLP's assurance work on the council's Housing Benefits (HB) subsidy claim for the year ended 31 March 2024. A summary report is provided by KPMG and is attached at Appendix 1 for consideration. It details only one observation for the period.

On page 5 of the report the observation in respect of the council's local scheme for War Disablement Pensions or War Widows Pensions was that the council had underclaimed subsidy on one case to the value of £8.47. The auditor makes clear that this issue had no effect on the value of benefit paid to the claimant. The underclaimed subsidy has now been corrected and reclaimed.

The volume of claims and change of circumstances processed for housing benefit in 2023/24 (just under 10,000) was, again, considerable. Together with the volume of HB paid out to claimants (in excess of £18.6m), this is an extremely positive annual review for the Benefits team.

## RECOMMENDATIONS:

1. That the Audit and Governance Committee considers the attached Annual Report (Appendix 1).

## APPENDICES:

Appendix 1 Housing Benefit Assurance Process Accountants Report 2023/24.

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KPMG LLP  
Consulting  
15 Canada Square  
Canary Wharf  
London  
E14 5GL  
United Kingdom

**Housing Benefit Subsidy Team**  
House Delivery Division  
DWP Business Finance & Housing Delivery  
Directorate  
Room B120D  
Warbreck House  
Blackpool  
Lancashire  
FY2 0UZ

Elizabeth Keys  
Director of Finance and Section 151 Officer  
Winchester City Council  
Colebrook Street  
Winchester  
Hampshire  
SO239LJ

Dear Elizabeth,

**Agreed-upon Procedures Report to Winchester City Council and the Department for Work and Pensions of factual findings in relation to the Housing Benefit Subsidy claim form MPF720A for the year ended 31 March 2024.**

**Purpose of this Agreed-upon Procedures Report and Restriction on Use and Distribution**

This report is produced in accordance with the terms of our engagement letter with Winchester City Council dated 04 July 2024. and the standardised engagement terms in Appendix 2 of Housing Benefit (Subsidy) Assurance Process (“**HBAP**”) Module 1 for year ending March 2024 issued by the Department for Work and Pensions (“**DWP**”) for the purpose of reporting to the Section 151 Officer of Winchester City Council (the “**Local Authority**”) and the DWP.

Our report is prepared solely for the confidential use of the Local Authority and the DWP and solely for the purpose of facilitating the claim for Housing Benefit Subsidy on form MPF720A dated 30 April 2024.

This report should not be copied, referred to or disclosed, in whole (save as otherwise permitted by the standardised engagement terms) or in part, without our prior written consent. Without assuming or accepting any responsibility or liability in respect of this report to any party other than the Local Authority and the DWP, we acknowledge that the Local Authority and/or the DWP may be required to disclose this report to parties demonstrating a statutory right to see it.

This report is designed to meet the agreed requirements of the Local Authority and the DWP as described in the DWP HBAP reporting framework instruction for financial year ending March 2024.

This report should not therefore be regarded as suitable to be used or relied on by any other party for any purpose or in any context. Any party other than the Local Authority and the DWP which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so entirely at its own risk. To the fullest extent permitted by law, we accept no responsibility or liability in respect of our work or this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by the reliance of anyone other than the addressees on our work or this report.

### **Local Authority's Responsibilities**

As Section 151 Officer of the Local Authority, you have responsibilities under the Income-related Benefits (Subsidy to Authorities) Order 1998. You are also responsible for ensuring that the Local Authority maintains accounting records which disclose with reasonable accuracy, at any time, the financial position of the Local Authority. It is also the Section 151 Officer's responsibility to extract relevant financial information from the Local Authority's accounting records, obtain relevant information held by any officer of the Local Authority and complete the attached form MPF720A in accordance with the relevant framework set out by the DWP.

The Section 151 Officer of the Local Authority and the DWP have acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Section 151 Officer is responsible for the completion of the MPF720A and is the signatory on the Local Authority's certificate on claim form MPF720A.

### **Our Responsibilities**

For the purpose of the HBAP engagement we have been provided with a signed copy of form MPF720A 2023/24 dated 30 April 2024 by the Section 151 Officer.

We conducted our engagement in accordance with HBAP Modules 1 and 6 for financial year ending March 2024 issued by the DWP, which highlight the terms under which DWP has agreed to engage with reporting accountants.

Our engagement was carried out in accordance with the DWP reporting framework instruction and in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-upon Procedures Engagements* issued by the International Auditing and Assurance Standards Board. The purpose of the engagement is to perform the specific test requirements determined by the DWP on the defined sample basis as set out in HBAP Modules of the HBAP reporting framework instruction on the Local Authority's form MPF720A dated 30 April 2024, and to report the factual findings, which are the factual results of those procedures to the Local Authority and the DWP. We make no representation regarding the appropriateness of the agreed-upon procedures.

The results of the agreed-upon procedures are reported in Appendices A, B, C and D.

The procedures specified in DWP's HBAP reporting framework instruction do not constitute an examination made in accordance with generally accepted auditing or review standards or an assurance engagement performed in accordance with any standards applicable to assurance, the objective of which would be the expression of assurance on the contents of the Local Authority's claim for Housing Benefit Subsidy on form MPF720A. Accordingly, we do not express such assurance. Had we performed additional procedures, or had we performed an audit or review of the Local Authority's claim for Housing Benefit Subsidy on



form MPF720A in accordance with generally accepted auditing or review standards or an assurance engagement performed in accordance with any standards applicable to assurance, other matters might have come to our attention that would have been reported to you. This report relates only to the Local Authority's form MPF720A and does not extend to any financial statements of the Local Authority, taken as a whole.

## **Professional Ethics and Quality Control**

We have complied with the ethical requirements in the ICAEW Code of Ethics issued by the Institute of Chartered Accountants in England and Wales. For the purpose of this engagement, there are no independence requirements with which we are obliged to comply.

The firm applies International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Summary of HBAP report**

### **Summary of Initial Testing**

#### **Cell 011: NHRA Rent Rebates:**

- No claims in payment in 2023/24

#### **Cell 055: HRA Rent Rebates:**

- No issues identified.

#### **Cell 094: Rent Allowances:**

- No issues identified.

## **Completion of Modules**

The Specific Test Requirements set out in Module 1 Appendix 3 have been completed, including testing required by Modules 2 and 5 as detailed below.

### **Completion of Module 2**

We have completed testing of the Module 2 and no issues were identified.

### **Completion of Module 5**

We have completed the questionnaire for the appropriate software supplier and no issues were identified.

## **Summary of testing arising from Cumulative Assurance Knowledge and Experience ("CAKE")**

In line with the requirements of HBAP Modules we have undertaken CAKE testing based upon the preceding HBAP Accountants report for:

- Cell 094: Rent Allowance: Assessment of private pension income
- Cell 214/225: Modified Schemes: Assessment of war pension income

The results of this testing can be found in the appropriate appendix.

No errors were found in the initial testing and extended testing in relation to cell 094 Rent Allowance assessment of private pension income, and as such this area of testing is now considered closed.

For the form MPF720A dated 30 April 2024 for the year ended 31 March 2024 we have completed the specific test requirements detailed in the DWP reporting framework instruction HBAP and have identified the results set out in Appendices A, B, C and D.

**KPMG LLP**

*Chartered Accountants*

15 Canada Square  
Canary Wharf  
London  
E14 5GL  
United Kingdom

[Date]

Name for enquiries: Hannah Andrews

*Attachments:*

Appendix A Exceptions/Errors found

Appendix B Observations

Appendix C Amendments

Appendix D Other Matters

## **Appendix A Exceptions/Errors found**

No exceptions/errors to report.

## **Appendix B Observations**

### **Cell 214/225: Modified Schemes – Incorrect war pension**

**Cell Total: £40,007**

**Cell Population: 12**

**Headline Cell: £40,007**

In our 2022/23 HBAP Accountants Report, we identified that the Local Authority had miscalculated claimants war pension income. Given the nature of the population and the errors reported in the 2022/23 HBAP Accountants report, the Authority identified all cases in Cell 214/225 and has tested each claim to confirm that war pension income has been correctly calculated. The 100% checks undertaken identified:

- One case where the authority has incorrectly assessed the claimants war pension income. This has resulted in the local authority underclaiming £8.47 housing benefit subsidy. This finding has no impact on the value of housing benefit paid to the claimant and is reported for completeness.

This issue was included in our prior year HBAP Accountants Report.

**Appendix C Amendments**

No amendments to report in 2023/24.

**Appendix D Other Matters**

No other matters to report in 2023/24.

REPORT TITLE: IMPLEMENTATION OF THE GLOBAL INTERNAL AUDIT STANDARDS

09 JANUARY 2025

REPORT OF CABINET MEMBER: Cllr Neil Cutler, Deputy Leader and Cabinet Member for Finance and Performance

Contact Officer: Antony Harvey Tel No: 07784 265289

Email [antony.harvey@hants.gov.uk](mailto:antony.harvey@hants.gov.uk)

WARD(S): ALL WARDS

PURPOSE

The purpose of this report is to provide an overview of the new Global Internal Audit Standards, to which public sector internal audit functions will have to comply from 1 April 2025.

RECOMMENDATIONS:

1. That the Audit & Governance Committee note the pending implementation of the Global Internal Audit Standards.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 Internal audit plays a vital role in supporting the Council accomplish plan outcomes by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.2 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.
- 1.3 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 Council Plan Outcomes.

### 2 FINANCIAL IMPLICATIONS

- 2.1 There are no additional financial implications arising from the content of this report.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The Accounts and Audit Regulations 2015 require local authorities to "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 Global Internal Audit Standards incorporate the current public sector auditing standards and should therefore be integrated to the Council's internal audit function.

### 4 WORKFORCE IMPLICATIONS

- 4.1 There are no additional workforce implications arising from the content of this report.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 There are no property and asset implications arising from the content of this report.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 The contents of the report were shared with both the Director (Legal) and Director (Finance) prior to publication.

## 7 ENVIRONMENTAL CONSIDERATIONS

7.1 There are no environmental implications arising from the content of this report.

## 8 PUBLIC SECTOR EQUALITY DUTY

8.1 None.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None required.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	Internal Audit supports the Council to ensure proper financial management, effective and transparent governance, risk management and control through its audit activities and assurance service.	Enhancement of the Council's reputation through the strengthening of the effectiveness of risk management, control and governance processes.
Exposure to challenge		
Innovation		
Reputation		
Achievement of outcome		

## 11 SUPPORTING INFORMATION:

11.1 Since their implementation in 2013 the Council's internal audit function have been required in accordance with the Accounts & Audit Regulations, to comply with the Public Sector Internal Audit Standards which were based on the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practice Framework (IPPF).

11.2 In January 2024 the IIA published a significant revision of their IPPF in the form of the Global Internal Audit Standards (GIAS). The revised framework is to take effect within the public sector from April 2025 (effective from January 2025 in the private sector).

11.3 The GIAS are a replacement to the Public Sector Internal Audit Standards and provide a single source to guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.

11.4 The GIAS is arranged under five domains which incorporates 15 Principles and 52 Standards (Appendix 1).

11.5 Some of the key differences between the existing Public Sector Internal Audit Standards and the new Global Internal Audit Standards include:

- Domain II – Ethics & Professionalism
  - Professional courage (1.1)
  - Professional scepticism (4.3)
- Domain III – Governing the internal audit function
  - Internal audit mandate (6.1)
  - Board interaction (8.1)
  - Quality (8.3)
- Domain IV – Manage the internal audit function
  - Internal Audit Strategy (9.2)
  - Coordinating reliance (9.5)
  - Communicating results (trends / root cause) (11.3)
  - Performance measurement (12.2)

11.6 The authority for determining standards applicable to internal audit in the UK public sector rests with the Relevant Internal Audit Standard Setters (RIASS), supported by the UK public sector Internal Audit Standards Advisory Board (IASAB).

11.7 During October 2024 the RIASS issued a consultation document in response to the GIAS (Application Note). Simultaneously CIPFA issued a consultation a new Code of Practice for Internal Audit:

- Application Note – GIAS in the UK Public Sector (consultation close 31 October 2024)
- Code of Practice for the Governance of Internal Audit in the UK Local Government (consultation close 28 November 2024).

### **Application Note – GIAS in the UK Public Sector**

11.8 The IASAB has considered the content of the GIAS and has determined that it is applicable to the internal audit of UK public sector bodies, subject to a small number of additional requirements and interpretations.

11.9 The key requirements and interpretations covered within the Public Sector Application Note that are not encompassed within the main text of the GIAS include:

- requirements for an annual report and opinion to be produced
- that the chief internal auditor will be both professionally qualified and have appropriate public sector skills and knowledge.



- a requirement for at least one of the external assessment team (required periodically to undertake an External Quality Assessment of the internal audit function) will have the characteristics required of a chief internal auditor in the UK public sector.

11.10 Any External Quality Assessment undertaken must provide an overall opinion on the internal audit functions conformance with the GIAS and Application Note on GIAS in the UK Public Sector.

### **Code of Practice for the Governance of Internal Audit in UK Local Government**

11.11 The new standards include 'essential conditions' for the governance of internal audit. When the IIA published GIAS, it recognised that in the public sector, governance structures or other laws or regulations may impact on how the essential conditions can be applied.

11.12 This is the case in UK local government, where there isn't a straightforward replacement for the 'board' as described in GIAS. Elected representatives are ultimately those charged with governance, whether that is the full council of an authority or an elected police and crime commissioner.

11.13 Audit committees are non-executive advisory bodies with limited decision-making powers and police audit committees cannot be delegated any decision-making powers. Internal audit's primary mandate comes from statutory regulations rather than the decision of the audit committee.

11.14 The GIAS provides for the chief internal auditor to reach agreement with those in governance roles and senior management on alternative conditions that still allow for conformance with the standards. The Code of Practice for the Governance of Internal Audit in UK Local Government provides the route to satisfying the essential conditions in GIAS (UK public sector), tailored for UK local government. The GIAS (UK public sector) directs the local government sector bodies to apply the Code.

11.15 The Code meets the objectives of the essential conditions, by providing for the necessary governance of internal audit, but in a way that is appropriate for UK local government bodies. It includes roles and responsibilities of the audit committee, senior management, and those charged with governance towards internal audit.

### **Conclusion**

11.16 The Southern Internal Audit Partnership have completed an initial self-assessment / gap analysis against the GIAS and developed an action plan to ensure the Partnership in the strongest possible position for when the Standards take effect in April 2025.

11.17 As part of that action plan SIAP will be engaging with Senior Management and members of the Audit & Governance Committee during January / February 2025 to contribute to the development of key requirements of the GIAS including the Internal Audit Strategy and key performance measures.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

None.

Other Background Documents:-

None.

APPENDICES:

Appendix 1 – Global Internal Audit Standards

Appendix 2 – SIAP – GIAS Road Map.



## Appendix 1

### Global Internal Audit Standards

#### Domain I: Purpose of Internal Auditing

#### Domain II: Ethics and Professionalism

**Principles**

1 – Demonstrate Integrity	2- Maintain Objectivity	3 – Demonstrate Competency	4 – Exercise Due Professional Care	5 – Maintain Confidentiality
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**Standards**

<ul style="list-style-type: none"> <li>Honesty &amp; Professional Courage</li> <li>Organisation’s Ethical Expectations</li> <li>Legal &amp; Ethical Behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Individual Objectivity</li> <li>Safeguarding Objectivity</li> <li>Disclosing Impairments to Objectivity</li> </ul>	<ul style="list-style-type: none"> <li>Competency</li> <li>Continuing Professional Development</li> </ul>	<ul style="list-style-type: none"> <li>Conformance with the GIAS</li> <li>Due Professional Care</li> <li>Professional Scepticism</li> </ul>	<ul style="list-style-type: none"> <li>Use of Information</li> <li>Protection of Information</li> </ul>
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#### Domain III: Governing the Internal Audit Function

**Principles**

6 – Authorised by the Board	7 – Positioned Independently	8 – Oversen by the Board
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**Standards**

<ul style="list-style-type: none"> <li>Internal Audit Mandate</li> <li>Internal Audit Charter</li> <li>Board and Senior Management Support</li> </ul>	<ul style="list-style-type: none"> <li>Organisational Independence</li> <li>Chief Audit Executive Qualifications</li> </ul>	<ul style="list-style-type: none"> <li>Board Interaction</li> <li>Resources</li> <li>Quality</li> <li>External Quality Assessment</li> </ul>
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#### Domain IV: Managing the Internal Audit Function

**Principles**

9 – Plan Strategically	10 – Manage Resources	11 – Communicate Effectively	12 – Enhance Quality
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**Standards**

<ul style="list-style-type: none"> <li>Understanding Governance, Risk Management, and Control Processes</li> <li>Internal Audit Strategy</li> <li>Methodologies</li> <li>Internal Audit Plan</li> <li>Coordination and Reliance</li> </ul>	<ul style="list-style-type: none"> <li>Financial Resource Management</li> <li>Human Resource Management</li> <li>Technological Resources</li> </ul>	<ul style="list-style-type: none"> <li>Building Relationships &amp; Communicating with Stakeholders</li> <li>Effective Communication</li> <li>Communicating Results</li> <li>Errors and Omissions</li> <li>Communicating the Acceptance of Risks</li> </ul>	<ul style="list-style-type: none"> <li>Internal Quality Assessment</li> <li>Performance Measurement</li> <li>Oversee and Improve Engagement Performance</li> </ul>
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#### Domain V: Performing Internal Audit Services

**Principles**

11 - Plan Engagements Effectively	14 – Conduct Engagement Work	15 – Communicate Engagement Results and Monitor Action Plans
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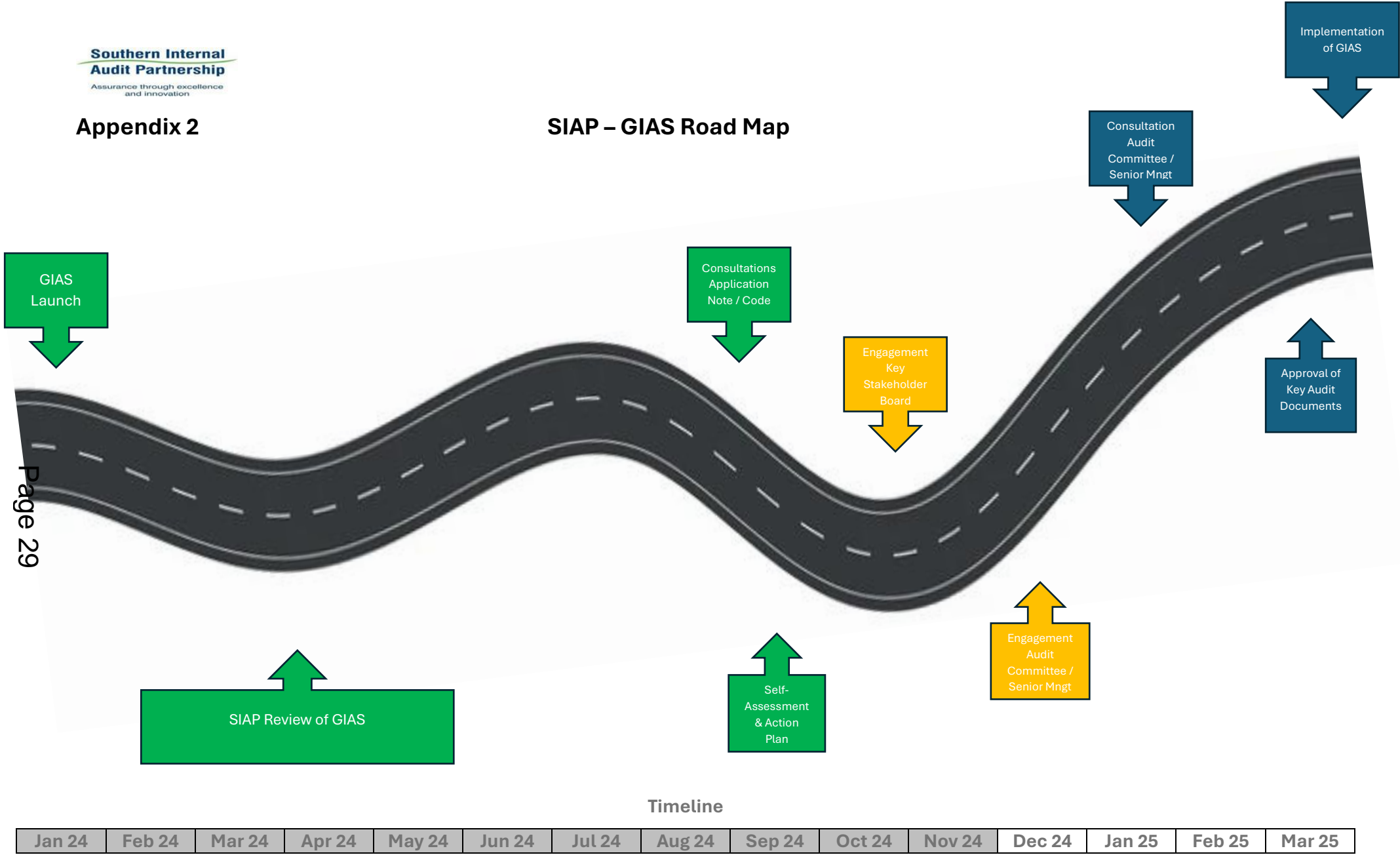
**Standards**

<ul style="list-style-type: none"> <li>Engagement Communication</li> <li>Engagement Risk Assessment</li> <li>Engagement objectives &amp; Scope</li> <li>Evaluation Criteria</li> <li>Engagement Resources</li> <li>Work Programme</li> </ul>	<ul style="list-style-type: none"> <li>Gathering Information for Analyses &amp; Evaluation</li> <li>Analyses &amp; Potential Engagement Findings</li> <li>Evaluation of Findings</li> <li>Recommendations &amp; Action Plans</li> <li>Engagement Conclusions</li> <li>Engagement Documentation</li> </ul>	<ul style="list-style-type: none"> <li>Final Engagement Communication</li> <li>Confirming the Implementation of Recommendations or Action Plans</li> </ul>
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**Appendix 2**

**SIAP – GIAS Road Map**



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REPORT TITLE: LOCAL CODE OF CORPORATE GOVERNANCE

9 JANUARY 2025

REPORT OF CABINET MEMBER: CLLR BECKER – CABINET MEMBER FOR  
COMMUNITY AND ENGAGEMENT

Contact Officer: Simon Howson Tel No: 01962 848 104 Email  
showson@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report presents the Local Code of Corporate Governance which sets out and describes the council's commitment to corporate governance, and identifies the arrangements that have been made, and will continue to be made to ensure its effective implementation and application in all aspects of the council's work.

RECOMMENDATIONS:

1. The Audit and Governance Committee approves the Local Code of Corporate Governance 2025 as set out in Appendix 1.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 The Local Code of Corporate Governance sets out the principles by which the council follows to ensure that it delivers the activities to achieve the priorities included in the Council Plan in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.

### 2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial implications.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 A Code of Corporate Governance is recommended by the guidance designated as proper practice by CIPFA/SOLACE framework, entitled Delivering Good Governance in Local Government. The Council's Local Code of Corporate Governance forms part of the governance framework which defines the principles that underpin governance at the council.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None identified directly from the content of this report, however the seven principles that underpin the Local Code of Governance direct and control all aspects of the council's work.

### 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 members of the Executive Leadership Board (ELB).

### 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None required.

### 8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The Code of Governance reflects values and key commitments and supports the council's compliance with its Public Sector Equality Duty. No direct issues arise from the content of the report, although officers will have regard to the considerations as set out in the Equality Act 2010 and whether an Equality Impact Assessment will be required to be undertaken as required on any specific recommendations or decisions made.



## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None.

## 10 RISK MANAGEMENT

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	n/a	n/a
Exposure to challenge	n/a	n/a
Innovation	n/a	n/a
Reputation	Good governance is essential for the effective and efficient running of the council.	Assurance is gained from the council demonstrating that it is following the principles that are set out in the Local Code
Achievement of outcome	Robust governance underpins the smooth running of the council	n/a
Property – none	n/a	n/a
Community Support – none	n/a	n/a
Timescales – none	n/a	n/a
Project capacity – none	n/a	n/a
Other - none		

## 11 SUPPORTING INFORMATION:

- 11.1 Good governance for local government is about how authorities ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable way.
- 11.2 The framework comprises the systems and processes, and cultures and values, by which local government organisations are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 11.3 Winchester City Council is committed to the seven core principles of good corporate governance as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives and Senior Managers (SOLACE) publication; Delivering Good Governance in Local Government Framework published in 2016.
- 11.4 CIPFA and SOLACE have not made any changes to the governance framework since this report was last presented to Audit and Governance Committee on 29 February 2024 (Report AG121 refers)
- 11.5 The Local Code of Corporate Governance, attached as Appendix 1 sets out and describes the council's commitment to corporate governance, and

identifies the arrangements that have been made, will continue to be made to ensure its effective implementation and application in all aspects of the council's work.

- 11.6 The council positively recognises and accepts the following seven core principles of good governance, as identified within the CIPFA/SOLACE Framework:
- 1) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  - 2) Ensuring openness and comprehensive stakeholder engagement.
  - 3) Defining outcomes in terms of sustainable economic, social, and environmental benefits.
  - 4) Determining the interventions necessary to optimise the achievement of the intended outcomes.
  - 5) Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  - 6) Managing risks and performance through robust internal control and strong public financial management
  - 7) Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 11.7 The seven core principles each have several supporting principles, which in turn have a range of specific requirements that apply across the council's business. As there have been no changes to the seven core principles of good governance, the council is not required to make any changes to its local code of corporate governance for 2025 as set out in Appendix 1 of this report.
- 11.8 The council accepts that to comply with the principles of good governance it must undertake to ensure that the systems and processes are continually monitored and reviewed and are kept up to date.
- 11.9 An annual review of the council's corporate governance arrangements is undertaken using the guidance in the CIPFA/SOLACE framework. The purpose of the review is to provide assurance that the governance arrangements are adequate and operating effectively or to identify areas where actions the council is required to take to ensure effective governance in the future.
- 11.10 The results of the annual review take the form of the Annual Governance Statement, prepared on behalf of the Leader and Chief Executive and will be presented to a later meeting of this committee for consideration and approval.

11.11 Appendix 2 of this report provides information on the policies, procedures and arrangements that the council has in place to deliver good governance against each of the seven core principles and has been updated for 2025.

11.12 Since last year's report, in Appendix 2 minor updates have been made including the following:

- Principle 1 – has been updated to include reference to the Implementation from 1 January 2025 of the new Councillor Code of Conduct,
- Principle 2 - reference included that the council now publishes on its website details of FOI requests it receives and their response,
- Principle 3 – now includes reference to the adoption of a Green Economic Development Strategy (GEDS) that provides the framework and overall direction to influence the development of the district's economy,
- Principle 4 – deletion of the reference to the former Performance Panel,
- Principle 5 – now includes reference to the LGA led Corporate Peer Challenge that was undertaken in July 2024,
- Principle 6 – updated to include reference to the cyber security awareness training provided for all staff and members. Dedicated cyber exercise undertaken to test the council's response to a cyber incident. Further update acknowledging the streamlining of quarterly finance and performance reporting,
- Principle 7 – reference added that the council has adopted a refreshed Retention and Disposal Policy ad Schedule.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

AG121 Local Code of Corporate Governance

Other Background Documents:- None.

### APPENDICES:

Appendix 1 Local Code of Corporate Governance

Appendix 2 Winchester City Council – Corporate Governance Framework

## Winchester City Council's Local Code of Corporate Governance 2025

### Definition of Governance

For the purpose of this local code, Winchester City Council has accepted the definition of corporate governance as stated within the CIPFA/SOLACE Framework, as follows:

**“Governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.**

**It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities”.**

### Good Governance Standards

The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) have published a framework document for corporate governance in local government.

Winchester City Council is committed to the principles of good corporate governance and wishes to confirm its ongoing commitment and intentions through the development, adoption and continued maintenance of a local code of corporate governance, as recommended by the CIPFA/SOLACE Framework.

This document, Winchester City Council's "Local Code of Corporate Governance" therefore sets out and describes the Council's commitment to corporate governance, and identifies the arrangements that have been made, and indeed will continue to be made, to ensure its effective implementation and application in all aspects of the Council's work.

Winchester City Council recognises that effective local government relies upon establishing and maintaining the confidence of the public in both the elected members and officers of the council.

The effective application of the seven core principles of good governance directly supports the Council's overarching priorities that have been identified for the Winchester district through the current Council Plan 2020 - 25:

- Tackling the Climate Emergency and creating a greener district
- Living well
- Homes for all
- Vibrant local economy
- Your services. Your voice

A copy of the Winchester Council Plan can be obtained through this [link](#) and provides detail on what is covered within the above five overarching priorities.

The delivery plans for achieving the priorities included in the Council Plan are set out in the corporate head of service strategic service plans.

Winchester City Council's good corporate governance standards are outlined below.

The Council has prepared an annual governance statement to evaluate its governance against the principles below:-

#### **GOOD GOVERNANCE - PRINCIPLE 1**

Winchester City Council will behave with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

Local government authorities are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

The sub principles supporting this core principle are:

##### Behaving with Integrity

- Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation
- Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles)
- Leading by example and using the above standard operating principles or values as a framework for decision making and other actions
- Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.

##### Demonstrating strong commitment to ethical values

- Seeking to establish, monitor and maintain the council's ethical standards and performance
- Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the councils' culture and operation
- Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values

- Ensuring that external providers of services on behalf of the Council are required to act with integrity and in compliance with the ethical standards expected by the council

Respecting the rule of the law

- Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations
- Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements
- Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders
- Dealing with breaches of legal and regulatory provisions effectively
- Ensuring corruption and misuse of power are dealt with effectively

## **GOOD GOVERNANCE - PRINCIPLE 2**

Winchester City Council will ensure openness and comprehensive stakeholder engagement

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

The sub principles supporting this core principle are:

### Openness

- Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness
- Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided
- Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear
- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action.

### Engaging comprehensively with institutional stakeholders

NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.

- Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably
- Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively
- Ensuring that partnerships are based on:
  - trust
  - a shared commitment to change
  - a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.

### Engaging with individual citizens and service users effectively

- Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is

contributing towards the achievement of intended outcomes

- Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement
- Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs
- Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account
- Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity
- Taking account of the impact of decisions on future generations of taxpayers and service users



### **GOOD GOVERNANCE - PRINCIPLE 3**

Winchester City Council will define its outcomes in terms of sustainable economic, social and environmental benefits.

The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The sub principles supporting this core principle are:

#### Defining outcomes

- Having a clear vision, which is an agreed formal statement of the Council's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.
- Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer
- Delivering defined outcomes on a sustainable basis within the resources that will be available
- Identifying and managing risks to the achievement of outcomes
- Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.

#### Sustainable economic, social and environmental benefits

- Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision
- Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints
- Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs
- Ensuring fair access to services.

**GOOD GOVERNANCE - PRINCIPLE 4**

Winchester City Council will determine the interventions necessary to optimise the achievement of its intended outcomes.

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

The sub principles supporting this core principle are:

Determining interventions

- Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and the associated risks. Therefore ensuring best value is achieved however services are provided
- Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.

Planning interventions

- Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets
- Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered
- Considering and monitoring risks facing each partner when working collaboratively, including shared risks
- Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances
- Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured
- Ensuring capacity exists to generate the information required to review service quality regularly
- Preparing budgets in accordance with objectives, strategies and the medium term financial plan
- Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy

Optimising the achievement of intended outcomes

- Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints
- Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term
- Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage
- Ensuring the achievement of 'social value' through service planning, procurement and commissioning

### **GOOD GOVERNANCE - PRINCIPLE 5**

Winchester City Council will develop the organisation's capacity, and the capability of its leadership and the individuals within it.

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

The sub principles supporting this core principle are:

#### Developing the council's capacity

- Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness
- Improving the use of resources through the appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently
- Recognising the benefits of partnerships and collaborative working where added value can be achieved
- Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources

#### Developing the capability of the entity's leadership and other individuals

- Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained
- Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body
- Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority
- Developing the capabilities of elected members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by:
  - ensuring elected members and staff have access to an appropriate induction tailored to their role and that ongoing training and

- development matching individual and organisational requirements is available and encouraged
- ensuring elected members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis.

### **GOOD GOVERNANCE - PRINCIPLE 6**

Winchester City Council will manage risks and performance through robust internal control and strong public financial management.

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

The sub principles supporting this core principle are:

#### Managing Risk

- Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making
- Implementing robust and integrated risk management arrangements and ensuring that they are working effectively
- Ensuring that responsibilities for managing individual risks are clearly allocated

#### Managing Performance

- Monitoring service delivery effectively including planning, specification, execution and independent post implementation review
- Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook
- Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible
- Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement
- Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements)

### Robust internal control

- Aligning the risk management strategy and policies on internal control with achieving objectives. Evaluating and monitoring risk management and internal control on a regular basis
- Ensuring effective counter fraud and anti-corruption arrangements are in place
- Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor
- Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body:
  - provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment
  - that its recommendations are listened to and acted upon

### Managing data

- Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data
- Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies
- Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring

### Strong public financial management

- Ensuring financial management supports both long term achievement of outcomes and short term financial and operational performance
- Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls

## **GOOD GOVERNANCE - PRINCIPLE 7**

Winchester City Council will implement good practices in transparency, reporting and audit to deliver effective accountability.

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

In accepting the core principle, we will:

### Implement good practice in transparency

- Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.
- Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.

### Implement good practices in reporting

- Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way
- Ensuring elected members and senior management own the results reported.
- Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement)
- Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate.
- Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations.

### Assurance and effective accountability

- Ensuring that recommendations for corrective action made by external audit are acted upon.
- Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.
- Welcoming peer challenge, reviews and inspections from regulatory bodies



and implementing recommendations.

- Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.
- Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.

**Winchester City Council – Corporate Governance Framework**

**Core Principle 1**

**Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.**

Local government authorities are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
Behaving with Integrity Demonstrating strong commitment to ethical values Respecting the rule of the law	<p>The constitution sets out the values and the behaviours that the council requires members and officers to adopt (5 core cultural values - we are empowering, innovative, act with integrity, adaptable, and collaborative).</p> <p>Good conduct and shared values are underpinned by:</p> <ul style="list-style-type: none"> <li>• Members’ Code of Conduct (Constitution Part 5.1)</li> <li>• Employee Code of Conduct</li> <li>• Protocol on member / officer relations (Constitution Part 5.2)</li> <li>• Gifts and hospitality register</li> <li>• Register of Interests</li> </ul> <p>Implemented from 1 January 2025 the new Councillor Code of Conduct</p> <p>Developed and promotes a culture of behaviour based on shared values and high ethical principles and good conduct.</p>

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	<p>Provides a comprehensive induction programme for all new employees and councillors informed by the cultural values of the organisation.</p> <p>Has in place approved arrangements for dealing with complaints that allege a councillor has breached the code of conduct (Constitution Part 5.3).</p> <p>Has a standards committee which is not politically biased, with responsibility for considering investigation reports in respect of Code of Conduct complaints that are referred to the Monitoring Officer as required by the Localism Act 2011.</p> <p>Is able to monitor and investigate officer behaviour through its corporate practices and Disciplinary Procedure.</p> <p>Protects individuals making complaints through Anti-Fraud and Corruption and Whistleblowing policy.</p> <p>Manages an updated member register of interests and publishes this on the council's website.</p> <p>Maintains a register of gifts and hospitality to safeguard both members and officers against conflicts of interest and is regularly reported to Audit &amp; Governance Committee.</p> <p>Has an audit committee with overall responsibility for governance and audit functions.</p> <p>Clearly defined roles and responsibilities between the Head of Paid Service, S151 Officer, and Monitoring Officer.</p> <p>Implements a Data Management policy if there is a breach and clear responsible officer.</p> <p>Complies with the Public Contract Regulations 2015 for the procuring of goods, works and services (Procurement &amp; Contract Management Strategy 2020 – 2025). This strategy is based around the guiding principles of value, compliance, environment and social, and fairness.</p>



## Core Principle 2

### Ensure openness and comprehensive stakeholder engagement.

Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
<p>Openness</p> <p>Engaging comprehensively with institutional stakeholders</p> <p>Engaging with individual citizens and service users effectively</p>	<p>The council's constitution sets out how the Council operates, how decisions are made and the procedures and codes of conduct that are followed.</p> <p>Public records (e.g. committee reports) provide clear reasoning and evidence for decision making and are clear about the criteria and rationale used.</p> <p>Publishes FOI requests and their response on its website.</p> <p>Council plan commitment to Listening Better highlights value of using both formal and informal consultation and engagement techniques to inform decision making.</p> <p>WCC website includes links to all open and upcoming council public consultations. Consultations conducted online (with alternative formats available) to allow diverse pool of residents to provide feedback.</p> <p>Undertook a residents' survey in 2024 that sought the views and opinions of the council and its services. Statistically valid using stratified random sampling to ensure views were inclusive of demographics of the district and went on to inform the draft council plan 2025-30 priorities.</p> <p>Tenant Satisfaction Survey results published on website to demonstrate tangible actions as a result of formal consultation.</p> <p>Guidelines to allow public participation in committee meetings available on website along with calendar of upcoming meetings and option to view livestreams via YouTube.</p> <p>Developing formal and informal partnerships to allow for resources to be used effectively and outcomes achieved efficiently, ensuring that partnerships are based on:</p> <ul style="list-style-type: none"> <li>• Trust</li> <li>• A shared commitment to change</li> </ul>

<b>CIPFA/SOLACE supporting principles</b>	<b>Evidence that the council complies with these requirements</b>
	<ul style="list-style-type: none"><li data-bbox="837 272 1816 304">• A culture that promotes the value added from partnership arrangements</li></ul> <p data-bbox="786 339 1935 403">Committee decision reports provide clear reasoning and evidence for decisions and how they support the priorities set out in the council plan.</p> <p data-bbox="786 438 1951 502">Decisions the council makes are supported by evidence base outlined in documents such as Equality Impact Assessment.</p>

### Core Principle 3

#### Winchester City Council will define its outcomes in terms of sustainable economic, social and environmental benefits

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
<p>Defining outcomes</p> <p>Sustainable economic, social and environmental benefits</p>	<p>Council Plan 2020–25 sets out a clear vision and priorities for the council and the outcomes that it wants to achieve. Captured and monitored through performance indicators and the council’s performance management framework. Refreshed annually to ensure fit for purpose and aligns to evidence-based priority areas informed by the Residents’ Survey. Monitors delivery of the objectives set out in the Council Plan through quarterly reports to member Performance Panel and The Scrutiny Committee.</p> <p>Annual departmental business plans provide the detail on how the council will deliver the priorities in the Council Plan.</p> <p>Has properly developed and maintained financial management arrangements which include approving a balanced budget before the start of each financial year, together with a Medium Financial Strategy which looks four years in advance and an annual statement of accounts that details the council’s financial position in the previous year.</p> <p>Regularly reviews risks at a corporate and operational level and ensures that appropriate plans are in place to manage or mitigate risks as far as possible.</p> <p>Has arrangements in place to publish the external auditors report which includes a formal conclusion on whether the council has put in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources.</p> <p>Complies with Rules of Procedures as set out in the Constitution including Financial Procedure Rules, Contract Procedure Rules and the Procurement and Contract Management Strategy.</p>

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	<p>Contract Management Framework is in place to ensure a consistent approach to Contract Management across the organisation, proportionate to the risk associated with a contract. This includes consideration of social and environmental matters as a key value.</p> <p>Internal audit regularly reviews the risk and internal control framework and produces an annual report including audit opinion on the adequacy and effectiveness of the council's framework of risk management, governance, and control.</p> <p>Undertakes Equality Impact Assessments where appropriate and proportionate to identify how the needs of particular vulnerable groups have been considered to inform decision making.</p> <p>Ensures that that sustainability of the environment is at the heart of all decision making within the council.</p> <p>Medium Term Financial Strategy (MTFS) sets out the financial outcome for the council.</p> <p>Has declared a Climate Emergency and has an approved Climate Neutrality Action Plan to deliver sustainable and environmental benefits to deliver the commitment for the council to be carbon neutral by 2024 and the Winchester district by 2030.</p> <p>Adoption of a Green Economic Development Strategy (GEDS) that provides the framework and overall direction to influence the development of the district's economy.</p>



#### **Core Principle 4**

**Winchester City Council will determine the interventions necessary to optimise the achievement of its intended outcomes.**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
<p>Determining interventions</p> <p>Planning interventions</p> <p>Optimising the achievement of intended outcomes</p>	<p>Ensures that reports to cabinet and cabinet Member Decision Days include an analysis of alternative options together with the reasons for the recommendations contained within the report.</p> <p>Requires annual business plans to be aligned with Council Plan priorities.</p> <p>Performance is reported to and monitored by the Executive Leadership Board, cabinet and scrutinised by The Scrutiny Committee.</p> <p>The council's budget is developed to reflect the council's priorities, and the council has a clear financial strategy including a Medium-Term Financial Plan which contains realistic estimates of revenue and capital expenditure - budgets, plans and objectives which are aligned.</p> <p>Requires reports and therefore decisions to be considered with legal and financial implications and to be signed off on behalf of the Chief Financial Officer (S151) and the Monitoring Officer.</p> <p>Has a project management framework in place, including business case development that is approved before a project can commence.</p> <p>Approved risk management framework in place to ensure that risk management is embedded into the culture of the council.</p> <p>Implements the requirements of the financial management code to support sound practice in financial management and demonstrate financial resilience and sustainability.</p> <p>Ensures that bids for external funding comply with the financial regulations and meet council priorities.</p> <p>Arrangements in place to seek and respond to the views of the community. Standard committee report template includes details of consultation and engagement undertaken before every decision.</p>

**Core Principle 5**

**Winchester City Council will develop the organisation’s capacity, including the capability of its leadership and the individuals within it.**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
<p>Developing the council’s capacity</p> <p>Developing the capacity of the entity’s leadership and other individuals</p>	<p>Comprehensive member induction training programme.</p> <p>Staff learning and development plans updated annually and dedicated corporate employee training budget supported by corporate Learning and Development Policy.</p> <p>Performance and development reviews are undertaken for all members of staff at least annually. The process offers the opportunity to discuss performance and to identify any training and development needs, with a mid-year appraisal procedure to track progress.</p> <p>Operates a robust recruitment and selection process and Capability Policy and Procedure.</p> <p>HR policies and procedures are in place and available to all employees on the intranet that ensure arrangements are in place to maintain the health and wellbeing of the workforce, including that of members. For example:</p> <ul style="list-style-type: none"> <li>• Adopted and rolled out Flexible Working Policy across the organisation.</li> <li>• Comprehensive Employee Wellbeing Policy</li> </ul>

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	<ul style="list-style-type: none"> <li>Provides access to occupational health arrangements and counselling services, under an employee assistance programme to promote well-being and ensure that sickness is maintained at a minimum.</li> </ul> <p>Clearly sets out roles and responsibilities of the Leader and Chief Executive within the constitution.</p> <p>Undertook a LGA led Corporate Peer Challenge in July 2024</p> <p>Clearly sets out roles and responsibilities of senior members of staff and statutory officers in the constitution, including role descriptions and job specifications.</p> <p>Has a Scheme of Delegation to Officers in the constitution (Part 3.4).</p> <p>Requires members of the planning and licensing committees to undergo mandatory training prior to sitting on these committees.</p> <p>Regular senior managers' meeting, all managers' meeting and all staff briefings.</p> <p>Refreshed Public Sector Equality Duty (adopted in January 2022) and established Equality, Diversity and Inclusion Forum. Currently working towards the standards as set out in the Equality Framework for Local Government.</p>

## **Core Principle 6**

**Winchester City Council will manage risks and performance through robust internal control and strong public financial management.**

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
<p>Managing Risk Managing Performance Robust internal control Managing Data Strong public financial management</p>	<p><b>Risk Management Policy</b> The Risk Management Policy sets out the council’s arrangements for managing, allocating and reporting risk and is integrated into the work of internal audit to provide a holistic approach to assurance aligned to corporate priorities.</p> <p><b>Business Continuity Framework</b> Business continuity plans are in place for business-critical services and reviewed and updated annually.</p> <p>Cyber security awareness training for all staff and members and dedicated cyber exercise undertaken to test the council’s response.</p> <p><b>Quarterly Performance reports</b> Introduction of an updated quarterly finance and performance report that is presents information in a streamlined format that clearly and concisely sets out the relevant information showing the progress this council is making in achieving the priorities in the Council Plan.</p> <p>The Scrutiny Committee reviews quarterly performance reports that provide an update on progress against the Council Plan priorities. The Scrutiny Committee minutes are forwarded and approved by Cabinet.</p> <p><b>Internal audit service</b> Southern Internal Audit Partnership (SIAP) provide an internal audit service and provide the Audit and Governance Committee with a quarterly update on progress against the Internal Audit Plan. Annual Internal Audit Plan developed in consultation with senior managers input before approval by Audit and Governance Committee. An annual opinion is also reported to the Audit &amp; Governance Committee Audit and Governance Committee which can report to full council if it considers necessary.</p> <p><b>Updated and adopted Retention and Disposal Policy and schedule</b> Ensures that the council manages its data and information and not retained for longer than is required.</p> <p><b>Anti-fraud, corruption and whistleblowing policy</b></p>

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	<p><b>Anti-bribery policy</b></p> <p><b>Financial Management</b> Through the S151 Officer, members are advised on the robustness of estimates and the adequacy of reserves set within the budget process.</p> <p>Ensures that effective arrangements are in place for the discharge of statutory officer roles by defining roles in the constitution and ensuring an adequate budget.</p> <p>Ensures compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful by requiring all reports to be considered by legal and finance and considered by the Executive Leadership Board prior to consideration by cabinet.</p> <p>Financial management arrangements in place which confirm with the requirements of the CIPFA statement on the role of Chief Financial officer in local governance and statutory provisions on the Local Government Act 1972, the Local Government Act 1988 and the Accounts and Audit Regulations 2015.</p> <p>Has in place Financial and Contract Procedure Rules.</p> <p>Has robust arrangements in place for:</p> <ul style="list-style-type: none"> <li>• Managing data</li> <li>• Training staff and members in relation to information governance</li> <li>• Ensuring data security breaches are reported and dealt with appropriately as set out in the Information Security Policy</li> <li>• Ensuring appropriate information sharing agreements are in place.</li> </ul> <p>Has in place measures to respond to GDPR and Data Protection Act requirements, including a Data Protection Officer.</p> <p>Quarterly risk management reporting to Audit &amp; Governance committee</p> <p>Has adopted a Privacy Policy and publishes a clear privacy statement on its website setting out what personal data is collected and how it will be used.</p> <p>Has a project management framework with full business case development.</p> <p>External Audit of accounts and value for money opinion</p>

<b>CIPFA/SOLACE supporting principles</b>	<b>Evidence that the council complies with these requirements</b>
	S151 officer appointed. Quarterly Finance & Performance report



**Core Principle 7**

**Winchester City Council will implement good practices in transparency, reporting and audit to deliver effective accountability.**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability

<b>CIPFA/SOLACE supporting principles</b>	<b>Evidence that the council complies with these requirements</b>
<p>Implement good practice in transparency Assurance and effective accountability Managing data Strong public financial management</p>	<p>Through an updated Retention and Disposal Policy and Schedule, ensures that the council manages its data and information and that it is not retained for longer than is required.</p> <p>Has in place measures to respond to the GDPR and Data Protection Act requirements, including appointing a Data Protection Officer.</p> <p>Monitors compliance with the requirements of the Freedom of Information Act and Access to Information Act and has a nominated officer in each team to respond to FOI requests and where applicable, refer to the Data Protection Officer</p> <p>Operates under executive arrangements with an established overview and scrutiny committee.</p> <p>Adopts a presumption of openness and transparency and publishes key decisions on the council website.</p> <p>Has adopted a process for the review of exempt committee reports within 12 months of the decision being made and publishing without restriction all papers used to support decisions on projects and other major financial transactions that were marked as exempt from publication at the time of the decision unless Full Council decides the papers should remain exempt for a further 12 months.</p> <p>Decisions are reviewed by external auditors, internal audit, and Executive Leadership Board to ensure that value for money is achieved and to secure continuous improvement in the way in which its functions are exercised.</p>

<b>CIPFA/SOLACE supporting principles</b>	<b>Evidence that the council complies with these requirements</b>
	<p>Has an effective corporate complaints system which is managed through Customer Services. Stage 2 complaints are monitored and evaluated by the Executive Leadership Board. Complaints policy and procedure published on council website.</p> <p>Ensures that all agendas, reports, and minutes are published on the council's website in accordance with statutory timescales. These are provided in alternative formats upon request.</p> <p>Agendas, reports, and minutes are published via the free Modern.Gov app to help strike the balance between transparency demands and making information easy to access and understand.</p> <p>The Chief Executive is responsible and accountable for all aspects of operational management.</p> <p>Records in the minutes of the proceedings of a "budget decision meeting" of council the names of the members who voted or abstained.</p>

REPORT TITLE: DISPENSATION REQUEST – COUNTY COUNCIL AND CITY COUNCIL “DUAL HATTERS”

9 JANUARY 2025

REPORT OF THE MONITORING OFFICER

Contact Officer: Gareth John Tel No: 01962 848135

Email [gjohn@winchester.gov.uk](mailto:gjohn@winchester.gov.uk)

WARD(S): ALL

## PURPOSE

This report follows the council's recent adoption of the new code of conduct for Winchester City Council based on the Local Government Association Model Code and accompanying guidance and updated arrangements for dealing with complaints. The code and guidance clarify the position that if a councillor is in receipt of taxable allowances from another council this must now be registered and declared as a disclosable pecuniary interest (DPI).

Following the circulation of this guidance, five Winchester City Councillors who also serve on Hampshire County Council have requested dispensations to continue participating in Winchester City Council meetings. The dispensations are considered to be in the best interests of Winchester City Council residents and the council and would be valid for up to four years.

The council's constitution in Part 2, Article 9 – "Audit and Governance Committee" states that this committee's Terms of References includes the authority to grant dispensations, where referred by the Monitoring Officer and in accordance with the Localism Act 2011 or other legislation and to monitor the use of dispensations.

This report seeks the Audit and Governance Committee's authority to grant a dispensation for 5 councillors detailed in section 11 of the report. The dispensation would allow those councillors to remain in a meeting more often, participate in more discussions, motions, and questions, and vote on more matters relating to Hampshire County Council than they would otherwise be able to.

## RECOMMENDATION:

That the Audit and Governance Committee grants a dispensation for a period of up to four years, or for the time each Councillor remains a County Councillor, whichever is longest to Councillors Porter, Tod, Wallace, Warwick, and Williams

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

- 1.1 This committee is responsible for maintaining high governance standards within the Council pursuant to its duties under the [Localism Act 2011](#). The committee has the role of ensuring that the ethical standards regime forming part of the governance framework of the Council is robust, thereby engendering public confidence that the Council can deliver upon its priorities within the Council Plan.

### 2 FINANCIAL IMPLICATIONS

- 2.1 There are no direct financial consequences arising from this report.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 Section 27(1) of the Localism Act 2011 requires the Council to promote and maintain high standards of conduct by its members and co-opted members when they are acting in the capacity of members.
- 3.2 Section 27(2) requires that the Council must adopt a code dealing with the conduct that is expected of members and co-opted members in order to discharge this duty.
- 3.3 Section 31(4) of the Localism Act 2011 sets out that where a Member is present at a meeting of the authority and has a disclosable pecuniary interest in any matter to be considered, they may not:
- a) Participate, or participate further, in any discussion of the matter at the meeting, or
  - b) Participate in any vote, or further vote, taken on the matter at the meeting.
  - c) If a Member fails to comply with these requirements, they would potentially commit a criminal offence.
- 3.4 However, a relevant authority may, following a written request made to the proper officer by the Members concerned, grant a dispensation relieving the Members from either or both of the restrictions set out above.

### 4 WORKFORCE IMPLICATIONS

- 4.1 None from this report.

### 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None from this report.

### 6 CONSULTATION AND COMMUNICATION

- 6.1 Not applicable to this report.

## 7 ENVIRONMENTAL CONSIDERATIONS

7.1 None from this report.

## 8 PUBLIC SECTOR EQUALITY DUTY

8.1 There are no equalities interests that arise from this report.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None from this report.

## 10 RISK MANAGEMENT

10.1 A risk assessment has been considered and is detailed in the report. If this Committee determine to grant a dispensation and the members subsequently revise their declaration of interests form it is considered there will be no significant risks that cannot be fully minimised by existing or planned controls or additional procedures.

<b>Risk</b>	<b>Mitigation</b>	<b>Opportunities</b>
Financial Exposure	Ensure that the process for granting dispensations is transparent and well-documented to prevent any potential issues concerning decision-making or conflicts of interest or concerns of such.	The clear and transparent process for granting dispensations can enhance decision-making accountability and trust in the council's financial management practices.
Exposure to challenge	Provide guidance to councillors on the new Code of Conduct and the implications of receiving allowances from other councils. This will help ensure compliance and reduce the risk of legal challenges or disputes.	By adopting a robust Code of Conduct and providing clear guidance, the council can demonstrate its commitment to good governance and ethical behaviour, which can enhance its reputation and credibility.
Reputation	Transparency in decision-making and clear communication can help maintain and enhance the council's reputation.	The granting of dispensations can be seen as a proactive step in ensuring good governance, which can positively impact the council's reputation and public trust.

Achievement of outcome	Ensure that the process for granting dispensations is transparent and based on clear criteria.	The granting of dispensations can demonstrate the council's commitment to good governance and accountability.
Community Support		
Timescales		

## 11 SUPPORTING INFORMATION:

- 11.1 At its meeting on 6 November 2024, Full Council resolved that the Local Government Association Model Code of Conduct for Councillors be adopted as the Winchester City Council Code of Conduct to come into force on 1 January 2025 ([available here](#)).
- 11.2 At its meeting on 28 November 2024, the Audit & Governance Committee agreed to endorse the guidance accompanying the Code of Conduct ([available here](#)).
- 11.3 The endorsed guidance document contains this question and answer regarding Councillor allowances received from other councils. *"Does 'office carried on for profit or gain' include allowances I may receive from another council I sit on? If you receive allowances which are treated as taxable income rather than simply being pure reimbursement of expenses, say, then they do need to be registered and declared as appropriate. Reimbursement of expenses is separately covered by the DPI category 'sponsorship' and makes clear that it excludes the need to register or declare reimbursement of expenses from one's own authority. However, that does not exclude any allowances received from another authority. When this issue was raised with Government it was stated: "a member being in receipt of taxable Councillor allowances may be considered to give rise to a disclosable pecuniary interest under the subject of 'Employment, office, trade or vocation' set out in the regulations. That means that any member in receipt of taxable allowances from another authority would have to register such as a DPI. For example, a parish Councillor who is also a district Councillor and is in receipt of taxable allowances from the district would need to register that fact."*
- 11.4 Following the publication of this guidance, five Winchester City Councillors (Councillors Porter, Tod, Wallace, Warwick, and Williams) who also serve as elected Councillors at Hampshire County Council, have formally requested dispensations to ensure their continued active participation in Winchester City Council meetings.
- 11.5 It is noted that the five councillors represent all three political groups at Winchester City Council.
- 11.6 The requested dispensations are grounded in the understanding that their interests arise solely from their responsibilities as elected Councillors in both

local authorities. These dispensations will not apply to any situation where a Councillor might experience personal financial gain or loss but will cover instances where their interests pertain to their elected roles and responsibilities.

- 11.7 The rationale for granting these dispensations includes the following:
- a) The requested dispensations explicitly exclude any situations where a Councillor might experience personal financial gain or loss.
  - b) The participation of these Councillors in Winchester City Council meetings is deemed essential due to their:
    - (i) Role as appointees or nominees of another local authority, which provides valuable insights into the needs and perspectives of both communities.
    - (ii) Specialised expertise and knowledge pertaining to their respective local authority areas, which enhances the quality of discussions and decision-making.
- 11.8 Considering these factors, the dispensations are considered to be in the best interests of the residents within the Winchester City Council area.
- 11.9 This dispensation is valid for up to four years from the date of this report, provided the councillor remains a member of both authorities.
- 11.10 It is noted that even with the dispensation in place, there will be instances where Councillor Warwick who is a member of the Executive at Hampshire County Council may still need to leave a Winchester City Council meeting if there is a matter that has direct relevance to Executive decisions at Hampshire County Council that she is or is anticipated she could be making or be part of the executive making said decisions.

## 12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Not to seek a dispensation from the Audit & Governance Committee which could impact both the proper functioning of the council and the representation of residents within the council.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

[AG140 code of conduct for councillors.pdf](#) - Audit & Governance Committee 26 September 2024.

[AG146 COMBINED Complaints guidance process.pdf](#) – Audit & Governance Committee 28 November 2024

### APPENDICES:

None

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