Winchester City Council

Meeting	Audit and Governance Committee
Date and Time	Thursday, 5th March, 2026 at 6.30 pm.
Venue	Walton Suite, Guildhall, Winchester and streamed live on YouTube at www.youtube.com/winchestercc

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) 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**

BUSINESS ITEMS

4. **Minutes of the previous meeting held on 29 January 2026** (Pages 5 - 10)
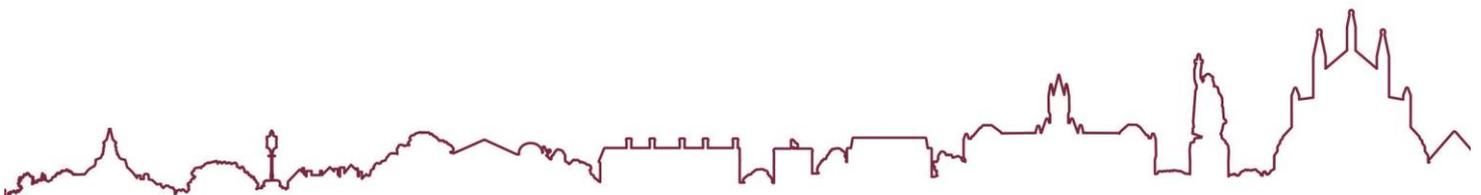
5.   **Public Participation**
      – To receive and note questions asked and statements made from members of the public on matters which fall within the remit of the Committee.
      NB members of the public are required to register with Democratic Services three clear working days before the meeting (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 27 February** via democracy@winchester.gov.uk or (01962) 848 264 to register to speak and for further details.

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6.   **Internal Audit Charter and Risk Based Plan 2026-27 (AG185)** (Pages 11 - 48)

7.   **Annual review of Risk Management Policy 2026/27 (AG183)** (Pages 49 - 94)

8.   **Local Code of Corporate Governance 2026/27 (AG184)** (Pages 95 - 132)

9.   **Q3 Governance Monitoring 25/26 (AG182)** (Pages 133 - 182)

10.   **To note the future meeting dates for the committee in 2026/27**
      - Thursday 16 July 2026
      - Thursday 24 September 2026
      - Thursday 26 November 2026
      - Thursday 4 March 2027

Laura Taylor
Chief Executive

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25 February 2026

Agenda Contact: Nancy Graham, Senior Democratic Services Officer
Tel: 01962 848 235 email: 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

PUBLIC PARTICIPATION

Representations will be limited to a maximum of 3 minutes, subject to a maximum 15 minutes set aside for all questions and answers. To reserve your place to speak, you are asked to **register with Democratic Services three clear working days prior to the meeting** – please see public participation agenda item for further details. People will be invited to speak in the order that they have registered, subject to the maximum time period allowed for speaking not being exceeded. Public Participation is at the Chairperson's discretion.

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 to ensure that the necessary arrangements are in place.

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AUDIT AND GOVERNANCE COMMITTEE

Thursday, 29 January 2026

Attendance:

Councillors
Morris (Chairperson)

Bailey-Morgan   Pinniger
Chamberlain   Power
Godfrey

Apologies for Absence:

Councillors Brophy

Members in attendance who spoke at the meeting

Councillor Cutler (Cabinet Member for Finance and Transformation)

[Video recording of this meeting](#)

1. **APOLOGIES**

   Apologies were received from Councillor Brophy as noted above.

2. **DISCLOSURE OF INTERESTS**

   There were no disclosures of interest made.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

   There were no announcements made.

4. **TO NOTE THE AUDIT & GOVERNANCE WORK PROGRAMME 2025/26**

   RESOLVED:

   That the work programme for 2025/26 be noted.

5. **MINUTES OF THE PREVIOUS MEETING**

   RESOLVED:

   That the minutes of the previous meeting held 27 November 2025 be agreed as a correct record.

6. **PUBLIC PARTICIPATION**

   Ian Tait spoke regarding agenda items 8 and 12 as summarised under the relevant minutes below.

7. **CERTIFICATION OF CLAIMS & RETURNS ANNUAL REPORT 2024/25**
   (AG178)

   The Director (Finance) introduced the report on behalf of the Service Lead – Revenues and Benefits and responded to members' questions thereon.

   > RESOLVED:

   > That the Annual Report be noted as set out at Appendix 1 to the report.

8. **COMMUNITY INFRASTRUCTURE LEVY (CIL) AND SECTION 106 PAYMENTS - VERBAL UPDATE ON MANAGEMENT ACTION PLAN**

   Ian Tait spoke during public participation as summarised briefly below.
   Mr Tait addressed the committee to express concern regarding the management of Section 106 affordable housing payments. In particular he referenced monies received for off-site delivery of affordable homes relating to the North Whitely Major Development Area (MDA). He also queried the high build cost levels of the council's new homes programme and asked that the internal auditors investigate whether the current housing programme represented best value.

   The Director (Finance) provided a verbal update on the management action plan relating to CIL and Section 106 payments which followed on from an internal audit of these. The Corporate Head of Planning and Regulatory Services was also present at the meeting and, along with the Director, responded to members' questions.

   > RESOLVED:

   > That the update be noted.

9. **24/25 AUDITOR'S ANNUAL REPORT**
   (AG175)

   At the chair's request, the committee agreed to consider the contents of report AG175 alongside AG174 as there was significant overlap between both. Simon Mathers (EY) also agreed to this approach.

   Mr Mathers (EY) introduced the report and emphasised that apart from the issue identified at Appendix B of AG174 where the auditors had been unable to gain assurance, the council's accounts and financial arrangements were generally of a good quality. However, the auditor's view was that resolving the judgemental differences relating to the land and property valuations were now a high priority.

Mr Mathers advised that the management response referred to at Appendix A of AG174 had been received since the report was published and would be included in the final report. It was noted that the Director (Finance) had circulated the text of the management response to committee members prior to the meeting as set out below.

Management response
Management will continue to deliver the Housing Compliance Improvement Plan. In response to the SIAP and Counter Fraud reviews, management has also compiled a Housing Property Services Improvement Plan which addresses the weaknesses in internal control and risk management arrangements. Progress against this improvement plan will be monitored by the Executive Leadership Board and reported, at a summary level, to the Cabinet Committee: Housing. Many of the proposed improvements have been considered in drafting the ITT for the new repairs and maintenance contract, where enhanced technology and workflows will improve controls.

The Director (Finance), Mr Mathers and Councillor Cutler responded to questions and comments made. The Director (Finance) acknowledged that there were judgemental differences between the assumptions used by the valuation teams employed by EY and the council and her intention was to work with both sides to resolve the issue prior to the next audit, however this was reliant on receiving detail from the EY team on those differences. Mr Mathers confirmed that he would provide the granular detail used in the EY valuations to enable this.

The Director (Finance), Mr Mathers and Antony Harvey (SIAP) also responded to questions regarding identified issues relating to housing property services for the Housing Revenue Account (HRA) properties.

RESOLVED:

1.   That the Annual Audit Report 2024/25 be accepted.

10.   **2024/25 AUDITORS ANNUAL RESULTS REPORT**
(AG174)

The contents of the report and questions and debate thereon were considered alongside report AG175 above.

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.

11. **AUDITED ANNUAL FINANCIAL REPORT 2024/25**
(AG173)

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

RESOLVED:

1.   That the audited Statement of Accounts 2024/25 be approved as set out in Appendix 1 of the report.

2.   That the Chair of the Audit & Governance Committee signs the Statement of Responsibilities on page 32 of Appendix 1 of the report to certify the accounts and authorise their issue.

12. **INTERNAL AUDIT PROGRESS REPORT 2025-26 (DECEMBER 2025)**
(AG180)

Ian Tait spoke during public participation as summarised briefly below.
Ian Tait reiterated concerns he had raised at the previous committee on 17 July 2025 Committee relating to the council continuing to collect Winchester market pitch fees in cash, despite the internal auditor identifying this as a high-risk area and previous contractual intentions to switch to electronic payments.   He highlighted that failure to implement digital systems also prevented the collection of vital information regarding trader attendance and the effective management of pitch demand. He urged the council to fulfil its own stated policy to discourage cash payments and adopt proprietary software to ensure better oversight and transparency of market operations.

The Director (Finance) responded that the points raised by Mr Tait would be addressed by Internal Audit as part of its planned audit which was scheduled to take place before the end of the 2025/26 financial year. The results of the audit would be reported back to the committee in the usual manner.

Antony Harvey (SIAP) introduced the report, drew members' attention to the areas where a "no assurance" opinion had been issued and responded to members' detailed questions.

RESOLVED:

That the Internal Audit Progress Report 2025-26 (December 2025) be noted.

13. **EXTERNAL QUALITY ASSESSMENT – FINAL REPORT**
(AG181)

Antony Harvey (SIAP) introduced the report and responded to members' questions thereon.

RESOLVED:

That the report of the External Assessor following the External Quality Assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector (as set out in Appendix A of the report) and the action plan developed against suggested opportunities for future development (as set out in Appendix B of the report) be noted.

The meeting commenced at 6.30 pm and concluded at 8.20 pm

Chairperson

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AG185
AUDIT & GOVERNANCE COMMITTEE

REPORT TITLE: INTERNAL AUDIT CHARTER AND RISK BASED PLAN 2026-27

05 MARCH 2026

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

Contact Officer: Antony Harvey   Tel No: 07784 265289

Email antony.harvey@hants.gov.uk

WARD(S): ALL WARDS

PURPOSE

The purpose of this report is to provide the Audit & Governance Committee with the Internal Audit Charter and Risk Based Internal Audit Plan 2026-27 for consideration and approval.

RECOMMENDATIONS:

1.   The Audit & Governance Committee are invited to consider and approve the
   - Internal Audit Charter 2026-27 (Appendix A); and
   - Internal Audit Risk Based Plan 2026-27 (Appendix B).

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   Internal audit is provided through the Southern Internal Audit Partnership. The plan comprises a total of 295 audit days and the associated cost for 2026-27, excluding any inflationary adjustment for nationally agreed pay awards (if applicable), will be £112,00. The plan will remain fluid throughout the year to meet the changing needs of the Council.

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".

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 report was shared with the Director .(Finance) and the Senior Policy and Programme Manager 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

Risk	Mitigation	Opportunities
Financial Exposure Exposure to challenge Innovation Reputation Achievement of outcome	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.

11   SUPPORTING INFORMATION:

11.1   The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

11.2   From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards (GIAS), Application Note: Global Internal Audit Standards in the UK Public Sector (Application Note) and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector (the Standards).

11.3   The Southern Internal Audit Partnership have been externally assessed against conformance with the Global Internal Audit Standards in the UK Public Sector which concluded:

*'SIAP has achieved an excellent result of **'generally achieves'** in this EQA in relation to the GIAS and Application Note. The IIA use the term 'general*

achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."

*Given SIAP's high level of performance and achievement with the GIAS**, I do not make any formal recommendations in this report.***

***I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards.** There are no partial conformances, or areas where the team do not conform with any Standards.'*

11.4   The Standards (6.2) require all internal audit providers to implement and maintain an 'Internal Audit Charter'. The internal audit charter is defined as 'a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications'.

11.5   Standard 11.3 (Communicating Results) references the possibility that a chief internal audit may be required to make a conclusion at the level of the organisation about the effectiveness of governance, risk management and/or control. Section 10B of the Application Note makes it a mandatory requirement in the UK public sector, for the chief internal auditor to prepare such an overall conclusion at least annually in support of wider governance reporting. This overall conclusion must encompass governance, risk management and control. The requirement for an overall conclusion must also inform planning carried out under GIAS Standard 9.4 (Internal Audit Plan).

11.6   In accordance with the Standards (9.4) there is a requirement that internal audit must create a risk-based internal audit plan that supports the achievement of the organisation's objectives. The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to fulfil the audit mandate and delivery of the internal audit strategy.

11.7   The aim of internal audit's work programme is to provide independent and objective assurance to management, in relation to the business activities; systems or processes under review that:

- The framework of internal control, risk management and governance is appropriate and operating effectively; and

- Risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

Internal Audit Charter 2026-27

11.8 The internal audit charter is reported to the Audit & Governance Committee annually for review and approval. There has been no further revisions to the Internal Audit Charter since it was last approved the the Audit & Governance Committee in July 2025. A copy is attached as Appendix A.

Internal Audit Risk Based Plan 2026-27

11.9 The proposed risk based internal audit plan for 2026-27 is attached at Appendix B and has been developed at a strategic level providing a value adding, and proportionate level of assurance aligned to the Council Plan Outcomes. It is based on a range of inputs including a review of the Council's Corporate Risk Register and Service Risk Registers, sector knowledge and discussions with Directorate Management Teams.

11.10 Internal audit focus should be proportionate and appropriately aligned, and as such, only high and medium priority reviews identified during the planning process are incorporated within the Internal Audit Plan. The exception to this is where 'mandatory' audits (for example to certify the accuracy of grant claims to meet funding requirements) or specific management requests have been raised and sufficient capacity is available.

11.11 The audit plan will remain fluid to ensure internal audit's ability to react to the changing needs of the Council. Any additions to the plan must be able to clearly demonstrate a contribution to the audit conclusion on risk management, control and governance.

11.12 Any changes to the plan (including advisory assignments) will be transparently reported to the Executive Leadership Board and the Audit & Governance Committee during the course of the year for approval as part of our regular progress reports.

11.13 The Internal Audit Charter ensures the Chief Internal Auditor has sufficient resource necessary to fulfil the requirements and expectations to deliver an internal audit conclusion.

11.14 Significant matters that jeopardise the delivery of the plan, or require changes to the plan will be identified, addressed and reported to the Audit & Governance Committee, through regular progress reports.

11.15 The endorsement and sponsorship of the plan(s) at Member / Director / Chief Finance Officer level will assist in providing the engagement and buy-in of staff at an operational level to ensure the outcome of audit reviews are optimised.

12   OTHER OPTIONS CONSIDERED AND REJECTED

12.1   There are no other options to consider as an internal audit charter and risk-based plan are a requirement of the Standards against which all internal audit providers must conform.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG165 Internal Audit Charter and Risk Based Plan 2025-26

AG181 External Quality Assessment – Final Report

Other Background Documents:-

None.

APPENDICES:

Internal Audit Charter 2026-27 (Appendix A)

Internal Audit Risk Based Plan 2026-27 (Appendix B).

Southern Internal Audit Partnership
Assurance through excellence and innovation

WINCHESTER CITY COUNCIL

Internal Audit Charter
2026/27

Prepared By: Antony Harvey, Deputy Head of Southern Internal Audit Partnership

February 2026

1. Introduction

The [Global Internal Audit Standards,](#) issued by the Institute of Internal Auditors and effective in the UK Public Sector from April 2025, guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function.

While the Global Internal Audit Standards apply to all internal audit functions, it is acknowledged that internal auditors in the public sector work in a political environment under governance, organisational and funding structures that differ from those of the private sector.

Consequently, internal audit practitioners working in, or for, the UK public sector are required to apply the Global Internal Audit Standards subject to the interpretations and requirements of the [Application Note: Global Internal Audit Standards in the UK public sector](#), issued by Relevant Internal Audit Standard Setters (RIASS).

In addition, relevant public sector bodies are also required to apply the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for the Governance of Internal Audit in UK Local Government which provides a conduit for meeting the essential conditions for governance set out in the Global Internal Audit Standards, tailored for UK local government.

The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector.

The Standards require all internal audit providers to implement and maintain an 'Internal Audit Charter'.

The internal audit charter is defined as *'a formal document that includes the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications'*

2. Definitions

The Global Internal Audit Standards in the UK Public Sector apply the following definitions:

The Board – *'the governing body authorised to provide the internal audit function with the appropriate authority, role, and responsibilities.'* At Winchester City Council ('the Council') this shall mean the Audit and Governance Committee.

Senior Management – *'the highest level of executive management of an organisation that is ultimately accountable to the Board for executing the organisation's strategic decisions, typically a group of persons that includes the Chief Executive Officer or Head of Organisation'*. At the Council this shall mean the Executive Leadership Board (ELB).

3. Internal Audit Mandate

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

> *'5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.*
>
> *(2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit—*
>
> > *(a) make available such documents and records; and*
> > *(b) supply such information and explanations*
>
> *as are considered necessary by those conducting the internal audit.*
>
> *(3) In this regulation "documents and records" includes information recorded in an electronic form.'*

From 1 April 2025, the *'standards or guidance'* in relation to internal audit are those laid down in the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government.

The scope of internal audit includes both assurance and advisory services covering the entire breadth of the Council, including all activities, assets, and personnel of the organisation.

Fraud investigations may also be commissioned which will be conducted by the Southern Internal Audit Partnership's Counter Fraud Unit.

4. Authority, Roles and Responsibilities

Authority

The Chief Internal Auditor is positioned at a level in the organisation that enables internal audit services and responsibilities to be performed independently of management and with objectivity, enabling escalation as appropriate.

The Chief Internal Auditor reports functionally to the Audit and Governance Committee, and organisationally to the Chief Finance Officer, who is a member of the Executive Leadership Board and has statutory responsibility as proper officer under Section 151 of the Local Government Act 1972, for ensuring an effective system of internal financial control and proper financial administration of the Council's affairs.

The Chief Internal Auditor has direct access to the Chief Executive who carries the responsibility for the proper management of the Council and for ensuring that the principles of good governance are reflected in sound management arrangements.

The Chief Internal Auditor has direct access to the Council's Monitoring Officer where matters arise relating to Chief Executive responsibility, legality and standards.

Where it is considered necessary to the proper discharge of the internal audit function, the Chief Internal Auditor has direct access to elected Members of the Council and in particular those who serve on committees charged with governance (i.e. the Audit and Governance Committee). Private meetings, without senior management present, are also offered to the Chair of the Audit and Governance Committee.

Should organisation structures change, senior management and the Audit and Governance Committee will ensure that the reporting line of the Chief Internal Auditor remains with a member of the Executive Leadership Board and retains the relevant access to Members and officers as outlined above.

It is recognised that the Chief Internal Auditor supervises assurance services related to activities that are managed by the Chief Finance Officer to whom the Chief Internal Auditor reports administratively, however, this perceived impairment is mitigated through overview from the Head of Southern Internal Audit Partnership, and the alternative reporting lines detailed above.

Internal audit reporting protocols are in place to ensure that the scope of work and findings for all assignments are reported appropriately and that agreed management actions are approved by senior management.

Every effort will be made to resolve disagreements that may arise during the audit process. However, if unresolved issues (such as limitations to the scope of work or failure to agree appropriate actions in response to audit findings) are considered by internal audit to fall outside of the Council's risk tolerance, these will be escalated to the relevant Director, Chief Finance Officer or Strategic Director in the first instance and then to the Chief Executive and Audit and Governance Committee as deemed necessary.

The Executive Leadership Board and the Audit and Governance Committee authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information. Such access shall be granted on demand and not subject to prior notice.

- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.

- Obtain assistance from the necessary personnel of the Council and other specialised services from within or outside the Council to complete internal audit services.

Role

The role of internal audit is best summarised through its definition within the Global Internal Audit Standards in the UK Public Sector, as:

'An independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.'

Purpose

Internal audit strengthens the Council's ability to create, protect, and sustain value by providing the Audit and Governance Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal audit enhances the Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal audit is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards in the UK Public Sector, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments

The Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the Council that these arrangements are in place and operating effectively. The Council's response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisation's objectives.

Responsibility

The responsibility for maintaining an adequate and effective system of internal audit within the Council lies with the Chief Finance Officer (S151 Officer).

For the Council, internal audit is provided by the Southern Internal Audit Partnership. The Chief Internal Auditor (Antony Harvey, Deputy Head of Southern Internal Audit Partnership) is responsible for effectively managing the internal audit activity in accordance with the Global Internal Audit Standards in the UK Public Sector.

The Chief Internal Auditor

Has the responsibility to:

- At least annually, develop a risk-based internal audit plan engaging with the Audit and Governance Committee and Executive Leadership Board and submit the plan to the Audit and Governance Committee for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the Audit and Governance Committee and Executive Leadership Board.
- Review and adjust the internal audit plan, as necessary, in response to changes in the Council's business, risks, operations, programs, systems, and controls.
- Communicate with the Audit and Governance Committee and Executive Leadership Board if there are significant interim changes to the internal audit plan.

- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards in the UK Public Sector (and relevant laws and/or regulations).
- Follow up on engagement findings and confirm the implementation of management actions or action plans and communicate the results of internal audit services to the Audit and Governance Committee and Executive Leadership Board periodically and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards in the UK Public Sector and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact the Council and communicate to the Audit and Governance Committee and Executive Leadership Board as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure awareness of the Council's relevant policies and procedures, however should such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards in the UK Public Sector, such conflicts will be resolved or documented and communicated to the Audit and Governance Committee and Executive Leadership Board.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services.
- Deliver an annual conclusion that can be used by the Council to inform its annual governance statement. The annual conclusion will conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Discuss the annual conclusion with the Audit and Governance Committee and Executive Leadership Board and submit the annual conclusion to the Audit and Governance Committee for review and noting.

The Chief Internal Auditor will liaise with the external auditors on matters of mutual interest and to seek opportunities for cooperation in the conduct of audit work. The external auditors will have the opportunity to rely on the work of internal audit where appropriate.

A range of internal audit services are provided (Annex 1) in the delivery of the audit plan and to form the annual conclusion. The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

Fraud and irregularity

Internal audit will plan and evaluate their work to have a reasonable expectation of detecting fraud and identifying any significant weaknesses in internal controls.

Management is required to report all suspicions of theft, fraud and irregularity to the Chief Internal Auditor so that they can consider the adequacy of relevant controls, evaluate the implication of the fraud on the risk, control and governance processes and consider making recommendations as appropriate.

Internal audit will not carry out investigations unless commissioned to do so and, where this is the case, the Chief Internal Auditor will ensure that investigators are appropriately trained in carrying out their responsibilities.

Where there is evidence that Council staff are committing fraud, internal audit will liaise with Human Resources and the Directorate concerned.

Internal audit will consider assurance over the Council's Anti-Fraud and Corruption Policy and framework as part of the internal audit planning process.

Internal audit also facilitates the Council's participation in the National Fraud Initiative.

5. Internal audit resources

The Chief Internal Auditor is professionally qualified (CMIIA, CCAB or equivalent), maintains a comprehensive understanding of the Global Internal Audit Standards in the UK Public Sector, has wide internal audit and management experience, reflecting the responsibilities that arise from the need to build and manage an effective internal audit function (incl. recruitment, training and development), liaises internally and externally with Members, senior management and other professionals, and demonstrates sound sector knowledge & experience.

The Chief Finance Officer will provide the Chief Internal Auditor with the resources necessary to fulfil the Council's requirements and expectations to fulfil the audit mandate and delivery of the internal audit strategy.

The Head of the Southern Internal Audit Partnership has a resource strategy in place to optimise internal audit resources. Ongoing sufficiency of resources (financial, human and technological) will be transparently communicated by the Chief Internal Auditor to the Executive Leadership Board and the Audit and Governance Committee through regular reporting as part of the approval of the internal audit plan and further throughout the year as part of the progress reports and ultimately within the annual conclusion.

Any resource implications that put the fulfilment of the internal audit mandate at risk will be reported accordingly through the aforementioned reports.

Financial Resource

The Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit strategy and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.

The Head of the Southern Internal Audit Partnership will manage the day-to-day activities of the internal audit function effectively and efficiently, in alignment with the budget.

Human Resource

The Head of Southern Internal Audit Partnership will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

The Chief Internal Auditor continually evaluates the competencies of individual internal auditors (regular one-to-ones, performance management and quality review processes), and encourages professional development.

The annual operational risk-based plan will identify the resources required to complete the work, thereby highlighting sufficiency of available resources. The Chief Internal Auditor can propose an increase in audit resource or a reduction in the number of audits if there are insufficient resources.

The Executive Leadership Board and the Audit and Governance Committee will be advised where, for whatever reason, internal audit is unable to provide assurance on any significant risks within the timescale envisaged by the risk assessment process.

Significant matters that jeopardise the delivery of the plan or require changes to the plan will be identified, addressed and reported to the Executive Leadership Board and the Audit and Governance Committee.

If the Chief Internal Auditor, Executive Leadership Board or the Audit and Governance Committee consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Global Internal Audit Standards in the UK Public Sector is prejudiced, they will advise the Chief Finance Officer, accordingly.

Technological Resource

The Head of the Southern Internal Audit Partnership will ensure the internal audit function has technology to support the internal audit process and regularly evaluate the technology used to pursue opportunities to improve effectiveness and efficiency.

The implementation of new technologies is supported through effective and timely training for internal audit staff.

The impact of any technology limitations on the effective and efficient delivery of internal audit services will be communicated to the Executive Leadership Board and the Audit and Governance Committee.

6. Ethics and Professionalism

The Chief Internal Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards in the UK Public Sector, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the Council and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the Council.
- Report organisational behaviour that is inconsistent with the Council's ethical expectations, as described in applicable policies and procedures.
- Apply the Seven Principles of Public Life alongside existing ethical frameworks.

7. Independence and objectivity

The Chief Internal Auditor retains no roles or responsibilities that have the potential to impair the internal audit functions independence, either in fact or appearance.

Should such circumstance arise, the Chief Internal Auditor will advise the Audit and Governance Committee of the safeguards put in place to manage actual, potential or perceived impairments.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review.

Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- assessing specific operations for which they had responsibility within the previous year.
- performing operational duties for the Council or its affiliates.
- initiating or approving transactions external to the internal audit function.
- directing the activities of any Council employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit team or to assist internal auditors.

Internal auditors will:

- disclose impairments of independence or objectivity, in fact or appearance, to the Chief Internal Auditor.
- exhibit professional objectivity in gathering, evaluating, and communicating information.
- make balanced assessments of all available and relevant facts and circumstances.
- take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Induction and refresher training combined with internal audit procedures and guidance provide a systematic and disciplined approach for gathering and evaluating information to provide a balanced assessment of the activity under review.

The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.

If the Chief Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

In addition, to achieve the degree of independence and objectivity necessary to effectively discharge its responsibilities, arrangements are in place to ensure the internal audit activity:

- operates in a framework that allows unrestricted access to the Executive Leadership Board and the Audit and Governance Committee.
- reports functionally to Audit and Governance Committee.
- reports in their own name.
- rotates responsibilities for audit assignments within the internal audit team.
- completes individual declarations confirming compliance with rules on independence, objectivity, conflicts of interest and acceptance of inducements, and
- ensures the planning process recognises, records and addresses potential conflicts of interest.

A register of potential conflicts of interest will be maintained with each case assessed and outcomes documented. If, despite this, independence or objectivity is impaired in fact or appearance, the details of the impairment will be disclosed to the Executive Leadership Board and the Audit and Governance Committee. The nature of the disclosure will depend upon the impairment.

The Executive Leadership Board will ensure that independence is safeguarded through ensuring internal audit's access to staff and records, as set out in regulations and the charter, operates freely and without any interference and where there are actual or potential impairments to the independence of internal audit, the Executive Leadership Board will work with the Chief Internal Auditor to remove or minimise them or ensure safeguards are operating effectively.

The Audit and Governance Committee will support internal audit's independence by reviewing the effectiveness of safeguards at least annually, including any issues or concerns about independence raised by the Chief Internal Auditor.

The Chief Internal Auditor will confirm to the Audit and Governance Committee, at least annually, the organisational independence of the internal audit function. The Chief Internal Auditor will disclose to the Audit and Governance Committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate

Matters around the appointment, removal, remuneration and performance evaluation of the Chief Internal Auditor will be undertaken by the Head of the Southern Internal Audit Partnership.

The Audit and Governance Committee should provide feedback on the performance evaluation of the Chief Internal Auditor. This will be achieved through an annual survey sent to all Audit and Governance Committee members.

8. Due Professional Care

Internal auditors will perform work with due professional care, competence and diligence. Internal auditors cannot be expected to identify every control weakness or irregularity, but their work should be designed to enable them to provide reasonable assurance regarding the controls examined within the scope of their review.

Internal auditors will have a continuing duty to develop and maintain their professional skills, knowledge and judgement based on appropriate training, ability, integrity, objectivity and respect.

Internal auditors will apprise themselves of the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government and will work in accordance with them in the conduct of their duties.

Internal auditors will be alert to the possibility of intentional wrongdoing, errors and omissions, poor value for money, failure to comply with management policy and conflicts of interest. They will ensure that any suspicions of fraud, corruption or improper conduct are promptly reported to the Chief Internal Auditor in accordance with the Council's laid down procedures.

Internal auditors will treat the information they receive in carrying out their duties as confidential. There will be no unauthorised disclosure of information unless there is a legal or professional requirement to do so. Confidential information gained during internal audit work will not be used to effect personal gain.

9. Communication, Reporting and Oversight

Internal Audit Strategy

The Head of the Southern Internal Audit Partnership will develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the Council and aligns with the expectations of the Audit and Governance Committee, Executive Leadership Board and other key stakeholders.

The internal audit strategy is a plan of action designed to achieve the audit function's long-term objective(s). The internal audit strategy includes a vision, strategic objectives, and supporting initiatives for the internal audit function to help fulfil the internal audit mandate.

Internal Audit Charter

The internal audit charter defines the internal audit function's mandate, organisational position, reporting relationships, scope of work, types of service, and other specifications relevant to its effective operation.

Audit Plan

The Chief Internal Auditor will develop an internal audit plan that supports the achievement of the Council's objectives.

The plan will be based on a documented assessment of the Council's strategies, objectives, and risks. Such assessment will be informed through engagement with the Audit and Governance Committee, and Executive Leadership Board as well as the Chief Internal Auditors understanding of the organisation's governance, risk and control processes.

The plan will be regularly reviewed with significant changes discussed and approved with the Executive Leadership Board and the Audit and Governance Committee in a timely manner.

Audit Assignments

Internal auditors will communicate with management at the commencement of each review to ensure that the scope and timing of the work is understood and agreed, and this will be documented in a Terms of Reference. Internal audit contacts agreed as part of this process will be expected to be available for discussions and to provide the information required to complete the assignment in line with the timelines agreed. Regular communication throughout the review will ensure timely awareness of any issues arising and a close of audit meeting will also be held to summarise and confirm findings.

The results of all planned audit assignments will be summarised in a formal report, including:

- the purpose and scope of the reviews
- the assurance opinion
- an executive summary
- action plans outlining issues arising and actions proposed by management to address them (including consideration of root cause and identification of key themes).

The reports will be distributed and agreed in line with established reporting protocols for each Directorate.

Progress Reports

Throughout the year the Chief Internal Auditor will maintain regular communications with the Executive Leadership Board and the Audit and Governance Committee on internal audit performance and other matters such as:

- revisions to the plan.

- any impairments to independence.

- significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for management that could interfere with the achievement of the Council's strategic objectives.

- results of assurance and advisory services.

- management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond the Council's risk appetite.

- performance measures, including ongoing conformance with the Global Internal Audit Standards in the UK Public Sector.

- evaluation of resourcing to meet the requirements of the internal audit mandate / plan.

Annual Conclusion

The Chief Internal Auditor shall deliver an annual conclusion that can be used by the Council to inform its annual governance statement.

The annual conclusion will conclude on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.

The annual conclusion will incorporate as a minimum:

- the opinion.

- a summary of the work that supports the opinion.

- a statement on conformance with Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government.

- results of the quality assurance and improvement programme.

Quality assurance and Improvement Programme

The Head of the Southern Internal Audit Partnership maintains a quality assurance and improvement programme that covers all aspects of the internal audit function. The programme includes:

External Quality Assessments – to be performed at least once every five years by a qualified independent assessor or assessment team (with appropriate characteristics and sector knowledge). The requirement for an external quality assessment may also be met through a self-assessment with independent validation.

The decision on the appointment of the external assessor and format of the external quality assessment will be communicated to the Council's Executive Leadership Board and the Audit and Governance Committee.

Internal Quality Assessments – self-assessments to be performed annually to review internal audits conformance with the Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government along with progress towards performance objectives.

The Chief Internal Auditor will communicate annually the results of the internal quality assessment to the Executive Leadership Board and the Audit and Governance Committee. The results of external quality assessments will be reported when completed.

In both cases communications will include:

- The internal audit function's conformance with Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government and achievement of performance objectives.

- Compliance with laws and regulations relevant to internal auditing.

- If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.

In addition, an annual satisfaction survey will be conducted with key stakeholders to assess the value of the service and to seek suggestions for improvement.

The results of the survey, annual self-assessment, and external assessment will be shared with the Executive Leadership Board and the Audit and Governance Committee, together with plans to address any issues arising.

Executive Leadership Board

As those responsible for the leadership and direction of the Council it is imperative that the Executive Leadership Board are engaged in:

- input, review, and note the internal audit mandate and charter (minimum annually).

- input, review, and note the internal audit strategy.

- input and note the risk based internal audit plan (making appropriate enquiries of the Chief Internal Auditor to determine inappropriate scope and resource limitations).

- receiving regular progress reports from the Chief Internal Auditor on the outcomes and internal audits performance relative to its plan.

- review and note the Chief Internal Auditors annual conclusion.

- review of the quality assurance and improvement programme, engaging with, and receiving the results of internal and external assessments, including areas of non-conformance.

The Audit and Governance Committee

As those responsible for the governance of the Council it is imperative that the Audit and Governance Committee are engaged in:

- input, review and approval of the internal audit mandate and charter (minimum annually).

- input, review, and note the internal audit strategy.

- input, and approval of the risk based internal audit plan (making appropriate enquiries of management and Chief Internal Auditor to determine inappropriate scope and resource limitations).

- receiving regular progress reports from the Chief Internal Auditor on the outcomes and internal audits performance relative to its plan.

- consider the Chief Internal Auditors annual conclusion.

- review of the quality assurance and improvement programme, engaging, with, and receiving the results of internal and external assessments, including areas of non-conformance.

- participation in discussions with the Chief Internal Auditor and senior management about the "essential conditions," described in the Global Internal Audit Standards in the UK Public Sector.

- overview of significant advisory services not already included in the audit plan, prior to acceptance of the engagement.

10.Review of the internal audit mandate and charter

This mandate and charter will be reviewed annually (minimum) by the Chief Internal Auditor and reported to the Executive Leadership Board and the Audit and Governance Committee for approval to ensure that any changes to the Global Internal Audit Standards in the UK Public Sector, reorganisation within the organisation or other significant changes affecting the nature and scope of internal audit services are considered.

Annex 1

Assurance Services

o **Risk based audit**: in which risks and controls associated with the achievement of defined business objectives are identified and both the design and operation of the controls in place to mitigate key risks are assessed and tested, to ascertain the residual risk to the achievement of managements' objectives. Any audit work intended to provide an audit opinion will be undertaken using this approach.

o **Developing systems audit**: in which the plans and designs of systems under development are assessed to identify the potential weaknesses in internal control and risk management; and programme / project management controls are assessed to ascertain whether the system is likely to be delivered efficiently, effectively and economically.

o **Quality assurance review**: in which the approach and competency of other reviewers / assurance providers are assessed in order to form an opinion on the reliance that can be placed on the findings and conclusions arising from their work.

o **Advisory services**: in which advice can be provided, either through formal review and reporting or more informally through discussion or briefing, on the framework of internal control, risk management and governance.

The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

o **Data analytics:** is a process of assessing data to find trends, patterns or other insights.   Internal auditors use data analytics to find and define risks, errors, and anomalies that could reveal deeper problems. The extended use of data analytics helps provide greater levels of assurance through analysis of a total population rather than traditional sampling methodologies.

o **IT Audit**: a specialist IT audit team are in place that are experienced in covering all aspects of established and emerging technologies. With IT underpinning a vast majority of how we function assurance in this area is crucial. To be able to provide a fully qualified team of IT audit specialists is a fundamental component of the audit offering.

- o **Fraud and irregularity investigations**: Internal audit may provide specialist skills and knowledge to assist in or lead fraud or irregularity investigations, or to ascertain the effectiveness of fraud prevention controls and detection processes. Internal audit's role in this respect is outlined in the Council's Anti-Fraud and Corruption Response Plan.

- o **Value For Money:** is implicit in the vast majority of our internal audit work, however, value for money work can also be conducted through review of the optimal use of resources to achieve an intended outcome, and can be summarised as:
  - **Economy** – minimising the cost of resources used or required (inputs) – spending less
  - **Efficiency** – the relationship between the output from goods or services and the resources to produce them – spending well
  - **Effectiveness** – the relationship between the intended and actual results of public spending (outcomes) – spending wisely

- o **Third party assurance:** the availability of objective assurance from other assurance providers will be considered in determining audit needs. Where internal audit needs to work with the internal auditors of other organisations, a practice which is expanding with the development of more organisational strategic partnerships, the roles and responsibilities of each party, as well as billing arrangements, will be clearly defined, agreed and documented prior to the commencement of work. Internal audit will also ensure awareness of and seek to place reliance on the work of other independent review bodies.

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WINCHESTER CITY COUNCIL
INTERNAL AUDIT PLAN 2026-27

Prepared by: Antony Harvey, Deputy Head of Southern Internal Audit Partnership

February 2026

Introduction

The mandate for internal audit in local government is specified within the Accounts and Audit [England] Regulations 2015, which states:

'5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

The scope of internal audit includes both assurance and advisory services covering the entire breadth of Winchester City Council ('the Council'), including all activities, assets, and personnel of the organisation.

The role of internal audit is that of an:

'Independent, objective assurance and advisory service designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes'.

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

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

The aim of internal audit's work programme is to provide independent and objective assurance to management, the Executive Leadership Board and the Audit and Governance Committee, in relation to the business activities; systems and processes under review that:

- the framework of internal control, risk management and governance is appropriate and operating effectively; and

- risks to the achievement of the Council's objectives are identified, assessed and managed to a defined acceptable level.

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Conformance with internal auditing standards

From 1 April 2025, the 'standards or guidance' in relation to internal audit are those laid down in the Global Internal Audit Standards, Application Note: Global Internal Audit Standards in the UK Public Sector and the Code of Practice for the Governance of Internal Audit in UK Local Government. The collective requirements shall be referred to as the Global Internal Audit Standards in the UK Public Sector.

Standard 8.4 [External Quality Assessment] requires internal audit providers to undergo an external quality assessment every five years.   In September 2025 JC Training Ltd were commissioned to complete an external quality assessment of the Southern Internal Audit Partnership against the Global Internal Audit Standards in the UK Public Sector.

In considering all sources of evidence the external assessment team concluded:

'SIAP has achieved an excellent result of 'generally achieves' in this EQA in relation to the GIAS and Application Note. The IIA use the term 'general achievement' or 'general conformance' to indicate that "internal audit activities were performed in general conformance with the Global Standards."

I include a summary of SIAP's conformance to the GIAS, below. Overall, I believe that the team has achieved an excellent performance given its size, together with the breadth and depth of the benchmark established by the new GIAS.

I am delighted to confirm that SIAP fully achieves 46 of the 52 Standards and generally achieves the remaining six Standards. There are no partial conformances, or areas where the team do not conform with any Standards.

I have undertaken ten reviews of diverse internal audit functions using the (new) GIAS to date and **this result puts SIAP firmly within the top quartile and represents the highest level of achievement and conformance with the new GIAS that I have seen to date**.'

Summary of IIA Conformance	Standards	Does not Conform	Partially Conforms/ Achieves	Generally Conforms/ Achieves	Fully Conforms/ Achieves	Total
Purpose of Internal Auditing	N/A					N/A
Ethics and Professionalism	13				13	13
Governing the Internal Audit Function	9			3	6	9
Managing the Internal Audit Function	16			1	15	16
Performing Internal Audit Services	14			2	12	14
	52	0	0	6	46	52

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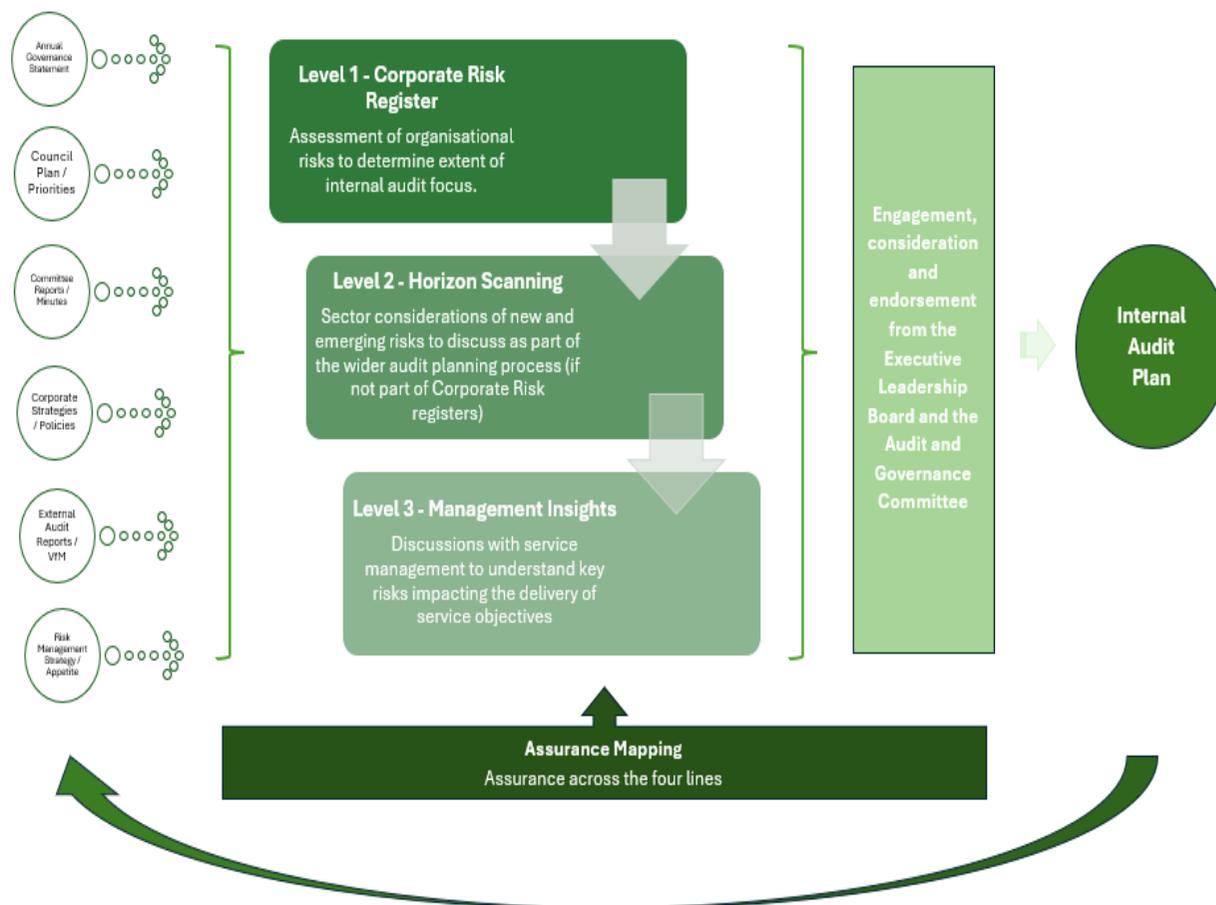
Developing the internal audit plan 2026-27

In accordance with the Global Internal Audit Standards in the UK Public Sector there is a requirement that internal audit must create a risk-based internal audit plan that supports the achievement of the organisation's objectives. The internal audit plan provides the mechanism through which the Chief Internal Auditor can ensure most appropriate use of internal audit resources to fulfil the audit mandate and delivery of the internal audit strategy.

The risk-based internal audit plan is prepared based on a range of inputs (see diagram).

Internal Audit focus should be proportionate and appropriately aligned. The plan will remain fluid and subject to on-going review and amendment, in consultation with the relevant audit sponsors, the Executive Leadership Board, and Audit and Governance Committee, to ensure internal audit are able to react to new and emerging risks and the changing needs of the Council.

Amendments to the plan will be identified through the Chief Internal Auditor's continued contact and liaison with those responsible for the governance of the Council and reported and approved by the Executive Leadership Board, and Audit and Governance Committee, through regular progress reports.

The Council are reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not seek to cover all risks and processes within the organisation. We will however continue to work closely with other assurance providers to ensure that duplication is minimised, and a suitable breadth of assurance is obtained.

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Internal audit resources

On development of the 2026-27 internal audit plan as Chief Internal Auditor, I am of the opinion that there is a sufficient level of resource available, supported by an appropriate range of knowledge, skills, qualifications and experience to deliver the internal audit plan in the fulfilment of the audit mandate and delivery of the internal audit strategy.

The Head of the Southern Internal Audit Partnership has a resource strategy in place to optimise internal audit resources to efficiently and effectively deliver the internal audit plan.
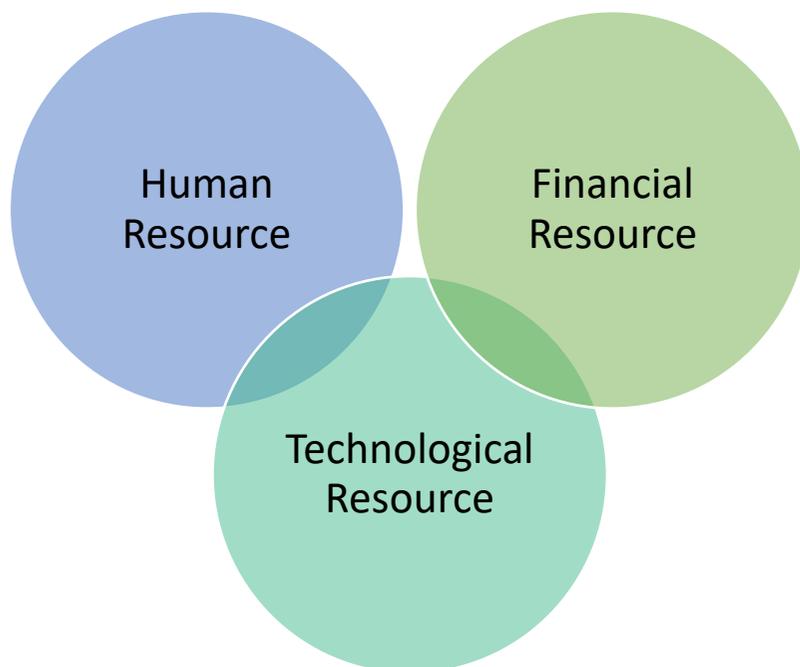
Human Resource - the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

If the Chief Internal Auditor, Executive Leadership Board or the Audit and Governance Committee consider that the scope or coverage of internal audit is limited in any way, or the ability of internal audit to deliver a service consistent with the Global Internal Audit Standards in the UK Public Sector is prejudiced, they will advise the Chief Finance Officer accordingly.

Financial Resource - the Head of Southern Internal Audit Partnership will manage the internal audit budget to enable the successful implementation of the internal audit mandate and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.

Technological Resource - the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency.

Human Resource

Financial Resource

Technological Resource

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Resourcing the internal audit plan

The Global Internal Audit Standards in the UK Public Sector require a clear analysis of the resources and hours available for internal audit engagements compared to other administrative and non-audit related activities or initiatives focused on improving the internal audit function.

Activity			Days
Risk-Based Audit /Advisory	-	Delivery of risk-based internal audit assignments designed to fulfil the audit mandate, delivery of the internal audit strategy and in support of the Council in the achievement of their objectives.	265
Audit Management	-	Time allocated for the liaison and reporting to the Executive Leadership Board and the Audit and Governance Committee, ongoing monitoring and update of the audit plan, implementation of management actions and ongoing quality review.	30
Total Audit Days	-	Total resource allocation for the delivery of the internal audit plan	295

*100% of the commissioned audit days are dedicated to fulfilling the audit mandate, and delivery of the internal audit strategy. Internal audit services are provided through the Southern Internal audit Partnership who undertake all administrative and non-audit related activities outside of the commissioned audit days.

A range of internal audit services are provided to deliver the internal audit plan (see Internal Audit Charter). The approach is determined by the Chief Internal Auditor and will depend on the level of assurance required, the significance of the objectives under review to the organisation's success, the risks inherent in the achievement of objectives and the level of confidence required that controls are well designed and operating as intended.

Your Internal Audit Team

Your internal audit service is provided by the Southern Internal Audit Partnership. The team will be led by Antony Harvey, Deputy Head of Southern Internal Audit Partnership (Chief Internal Auditor), supported by Mark Norton, Audit Manager.

Independence

The Chief Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. The Chief Internal Auditor is not aware of any relationships that may affect the independence and objectivity of the internal audit team.

The internal audit team retains no roles or responsibilities that have the potential to impair the internal audit functions independence, either in fact or appearance.   Should such circumstance arise, the Chief Internal Auditor will advise the Audit and Governance Committee of the safeguards put in place to manage actual, potential or perceived impairments.

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Internal Audit Plan 2026-27

The internal audit plan for 2026-27 is listed below and shows how the plan links to the Council Plan Priorities as well as the corporate risk register. The Council Plan Priorities are as follows:

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Audit Assignment	Directorate Sponsor	Scope	Council Plan Priority	Corporate Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
LGR/Devolution	CX	Provision of days to respond to any Internal Audit requirements as a result of Local Government Reorganisation/Devolution.	All	CR001	Assurance / Advisory	High	1-4
Climate Emergency / Carbon Neutrality	SDP	To assess the governance framework to deliver the plans to address the climate emergency / carbon neutrality etc including monitoring and reporting mechanisms.	GF	CR010	Assurance	High	1
Health and Safety	SDP	Review of the governance framework for Health and Safety including corporate oversight and embeddedness within Service Areas.	All	SRRs	Assurance	High	4
Business Continuity	SDP	Assessment of the plans and arrangements to maintain services following a major incident.	All	CR004	Assurance	High	3
Risk Management	DL	Assurance over the risk management framework.	All	-	Assurance	High	1
Information Governance – FOI, SAR, EIR	DL	To assess the arrangements for managing FOIs, SARs, EIRs etc.	E&E	SRRs	Assurance	High	1
Human Resources – Recruitment, Onboarding and Induction	CFO	To assess the arrangements from recruitment initiation through to inducting new staff.	All	CR001 & SRRs	Assurance	High	1
Fraud Framework - NFI	CFO	Facilitation of the Council's participation with the National Fraud Initiative.	All	-	-	-	1-4

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Audit Assignment	Directorate Sponsor	Scope	Council Plan Priority	Corporate Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Benefits	CFO	Regular assessment of core financial systems and processes.	HC, E&E	-	Assurance	High	3
Income Collection and Banking	CFO	Regular assessment of core financial systems and processes.	E&E	SSRs	Assurance	High	2
Main Accounting and Reconciliations	CFO	Regular assessment of core financial systems and processes.	E&E	SSRs	Assurance	High	3
ICT – Disaster Recovery	CFO	Assurance over disaster recovery planning, including the recent changes to the plan and the approach to the testing of disaster recovery.	All	CR009	Assurance	High	3
ICT - Change Management	CFO	Assurance over the policies and procedures for managing IT changes to minimise disruption and reduce the risk of failed changes.	All	CR009	Assurance	High	2
ICT – Wi-Fi Security Management	CFO	Assurance over the secure and effective management of the new Wi-Fi solution.	All	CR009	Assurance	High	3
Housing Asset Management	SDS	Provision of days for Housing review(s). The exact scope and timing of the review(s) will be determined, taking account of the progress made to address identified issues.	GH, E&E, LL	SRRs	Assurance	High	1-4
Housing Rents	SDS	Assurance over the arrangements to calculate and recover Housing Rents and service charges.	GH, E&E, LL	SRRs	Assurance	High	2

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Audit Assignment	Directorate Sponsor	Scope	Council Plan Priority	Corporate Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter
Development Management	SDP	Assurance over the end to end Development Management processes. Follow-up of Developer Contributions to assess the progress made to address identified issues.	GH, E&E	SRRs	Assurance	High	4
Waste Collection Contract	SDP	Assurance over the Waste contract management arrangements.	GF, E&E	SRRs	Assurance	High	2
Leisure Contract	SDP	Assurance over the Leisure contract management arrangements.	HC, E&E	-	Assurance	High	4
Environmental Health – Food Hygiene Inspections	SDP	Assurance over the processes and systems to manage the Council's obligations for Food Hygiene Inspections.	TP, HC	-	Assurance	High	2
Play Areas	SDP	To assess the framework for inspecting and maintaining play areas.	TP, HC	SRRs	Assurance	High	4
Bus Services Operator Grant	CFO	Required certification work.	E&E	-	-	Low	2
Mayor's Charity Account	CFO	Required certification work.	E&E	-	-	Low	2

Directorate Sponsor			
CX	Chief Executive	DL	Director Legal (Monitoring Officer)
SDS	Strategic Director - Services	CFO	Chief Finance Officer (S151)
SDP	Strategic Director - Place		

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Annexe 1

Contingency Reviews

The table below includes a list of engagements that would have been performed if additional resources were available.

Audit Assignment	Directorate Sponsor	Scope	Council Plan Priority	Corporate Risk Register Reference	Assurance / Advisory	Internal Audit Risk Assessment	Quarter

Not Applicable. All reviews assessed as a high priority/risk have been incorporated into the plan.

Included to enable the Audit and Governance Committee to assess the adequacy of resources available to the internal audit function.

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Southern Internal Audit Partnership

Assurance through excellence and innovation

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AG183
AUDIT & GOVERNANCE COMMITTEE

REPORT TITLE: ANNUAL REVIEW OF RISK MANAGEMENT POLICY 2026/27

5 MARCH 2026

REPORT OF CABINET MEMBER: Cllr Cutler – Deputy Leader and Cabinet Member for Finance and Transformation

Contact Officer: Gareth John, Director (Legal)   Tel No: 01962 848 226

Email gjohn@winchester.gov.uk

WARD(S): ALL

PURPOSE

It is recommended that Audit and Governance Committee review and comment on the attached cabinet report, ref CAB3548 which is to be considered by Cabinet at its meeting on 12 March 2026.

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REPORT TITLE: ANNUAL REVIEW OF RISK MANAGEMENT POLICY 2026/27

12 MARCH 2026

REPORT OF CABINET MEMBER: Cllr Cutler – Deputy Leader and Cabinet Member for Finance and Transformation

Contact Officer: Gareth John   Tel No: 01962 848 135 Email GJohn@winchester.gov.uk

WARD(S): ALL

PURPOSE

This report presents the annual review of the council's Risk Management Policy and Risk Appetite 2026/27.

These define the council's arrangements for identifying and managing risks and its integration with corporate governance and performance management.

There have been updates and amends to the key strategic risks that appear on the Corporate Risk Register over the course of 2025/26, resulting from the quarterly reviews by ELB and Audit and Governance Committee and these have been reported in the quarterly Governance Monitoring report.

This report seeks consideration and approval of the reviewed Risk Management Policy and Risk Appetite Statement for 2026/27.

RECOMMENDATIONS:

1.   That Cabinet approve the Risk Management Policy for 2026/27, the Risk Appetite Statement for 2026/27 and the current Corporate Risk Register.

IMPLICATIONS:

1   COUNCIL PLAN OUTCOME

1.1   Effective use of risk management supports the council's management of threats and opportunities to achieve the priorities included in the Council Plan 2025-30.

1.2   Included in the Risk Management Policy is the Risk Appetite Statement for the council which supports members and officers in decision making by setting out where the council is comfortable taking different levels of risk by Council Plan Priority, and which levels are not normally acceptable

2   FINANCIAL IMPLICATIONS

2.1   None directly because of this report. However, where there is a potential increase in risk likelihood or impact identified, additional spend may be required to manage those risks properly and adequately. Budget approval would be subject to the processes set out in the council's Financial Procedure Rules.

3   LEGAL AND PROCUREMENT IMPLICATIONS

3.1   The council's Risk Management Policy is an important element of the overarching governance framework ensuring that the council has a robust process for evaluating and managing risks as part of the decision-making process.

3.2   There are no direct legal or procurement issues arising from this report

4   WORKFORCE IMPLICATIONS

4.1   Management of risk is an integral part of service delivery. Corporate Heads of Service are required to review operational risks with their management teams regularly and in addition ensure project risk registers are established, monitored and maintained throughout the project lifecycle.

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 Cabinet and in particular the Cabinet Member for Finance and Performance. Consultation has also taken place with the Executive Leadership Board (ELB).

6.2   The council's Audit and Governance Committee reviewed the draft Risk Management Policy 2026/27 at their meeting on 5 March 2026, and their comments were noted by the Deputy Leader and Cabinet Member for Finance and Transformation.

7   ENVIRONMENTAL CONSIDERATIONS

7.1   None directly because of this report. However, where there is an expected increase in environmental risk likelihood or impact, additional measures to manage and mitigate those risks would be identified in the relevant business case before being approved

8   PUBLIC SECTOR EQUALITY DUTY

8.1   None.

9   DATA PROTECTION IMPACT ASSESSMENT

9.1   None.

10   RISK MANAGEMENT

10.1   Local Government Reorganisation creates a unique environment where change, uncertainty and operational pressures coexist. Managing risk effectively during the two-year period requires balancing strategic transformation and implementation activities with the need to sustain business as usual by providing day to day services.

10.2   During the transition period the council will take a disciplined and proactive approach to risk management that balances the demands of organisational transformation with the need to maintain stable, safe and resilient business as usual services and activities. The council's priority is to develop and support colleagues and deliver the Council Plan priorities over the next two years, ensuring service stability and driving continuous improvement. We will prepare out systems, process and services for a smooth transition towards Vesting Day and beyond.

10.3   We will manage risk through strong governance, transparent decision-making, robust performance management and clear communications, ensuring that change is delivered at pace without compromising service quality or public confidence. By maintaining a dual focus on transition risks and operational risks, we will ensure a smooth transition towards the new Unitary Authority.

Risk	Mitigation	Opportunities
Financial Exposure	Consideration of financial exposure is one of the five key areas of risk that are considered before decisions are made and specifically the affordability of losses and VfM for the council.	Taking financial decisions in a measured and controlled way can lead to financial reward.

Exposure to challenge	None	None
Innovation – not realised	The Risk Management Appetite Statement provides a clear and robust set of levels of acceptable risk which support decision making.	The Risk Management Appetite Statement sets the levels of risk the council is prepared to take and supports decision making when considering opportunities for innovation.
Reputation – ensuring the council has in place and embedded into the organisation arrangements to manage its risks	This report sets out the principles and arrangements for the council to manage its risks effectively.	A robust Risk Management Policy supports the council to identify, assess and manage its risks in a consistent way which could have a positive effect on the council's reputation.
Achievement of outcome	Identification and assessment of risk to consider the likelihood of delivering planned benefits before taking decisions.	Measured risk can lead to greater benefits to the council.
Property	None	None
Community Support	None	None
Timescales	None	None
Project capacity	None	None
Local Government Reorganisation – failure to identify, assess and manage risks in a consistent and timely manner throughout the transition period leading to the new Unitary Authority	Having a robust Risk Management Policy and Risk Appetite Statement provides the framework and tools to manage risks fundamental to the smooth transition to a Unitary Council	Early identification of relevant risks enables intervention and steps to avoid risk escalation.
Other	None	None

11   SUPPORTING INFORMATION:

11.1   This report presents the updated Risk Management Policy for 2025/65 (Appendix 1) which sets out the council's approach to risk management, the Risk Appetite and details the arrangements for managing risk. The Policy

forms part of the governance and performance management arrangements at the council.

11.2   The Policy sets out the framework for identifying the significant risks (Corporate risks) that are relevant to the achievement of the council's strategic and operational objectives; evaluating their potential consequences; and implementing the most effective way of managing and monitoring them.

11.3   In-line with best practice, the council evaluates its risks using a four-point scale for the likelihood or probability of the risk occurring and the impact caused should the risk occur. These are rated between low and significant. A score for each risk is then calculated using a four-by-four matrix with the lowest score being one and the highest sixteen.

11.4   Included as an appendix to the Policy is the council's Corporate Risk Register which includes the risks that are of greatest significance to the council in the context of the aims and objectives that are set out in the Council Plan 2025-30. These risks are owned by members of Executive Leadership Board (ELB).

11.5   ELB reviews quarterly the Corporate Risk Register, report AG182 (elsewhere on this Committee meeting agenda) provides brief details from the most recent review which took place on 4 February 2026 and the updates to the register. The current Corporate Risks are:

• Capacity to deliver services

• Ensuring decisions are made based on a strong evidence base, customer insight and engagement

• The need to ensure effective business continuity plans

• The need to maintain effective strategic partnerships

• The need to ensure financial resilience

• A focus on strategic planning for housing

• Protection against digital attacks through effective cyber security

• Responding to the Climate Emergency

• Responding to events caused by climate change

11.6   During quarterly reviews, ELB considered the rapidly emerging risks (and opportunities) arising from the Devolution agenda and Local Government Reorganisation (LGR) timetable. It was agreed that the risks arising from LGR would continue to be captured as a cause that might impact existing corporate risks, specifically CR001 (Capacity to deliver services) and CR007 (Ability to achieve a balanced budget). ELB noted that until the announcement by government in the Spring, it was too early to fully understand the extent of the risks. In response to the evolving nature of these issues, the council continues to closely monitor developments, ensuring that any emerging risks or opportunities are promptly identified and managed. A comprehensive risk management strategy specifically addressing LGR has been developed and is

regularly reviewed ensuring that the council remains well-prepared to manage any potential changes and their impact on governance, service delivery, and resources leading to a smooth transition to a new Unitary Council.

11.7 The Risk Management Policy reflects best practice and there have been no significant updates, amends or additions as a result of this annual review.

The main changes are summarised below:

Change Description	Reason
Section 8 - change to Risk Appetite for Thriving Places Council Plan priority from 'Moderate' to 'Open'. The overall risk appetite has not changed and remains 'Moderate'.	Cabinet members considered the council's overall risk appetite and agreed to keep it as 'moderate', however for delivery of activities that support the Thriving Places Council Plan priority it was agreed to move the appetite to 'open' allowing for all delivery options to be considered when making decisions to improve run down areas before selecting the one with the highest probability of productivity outcomes, even when there are elevated levels of associated risk.
Section 12 - under responsibilities, change from Head of Programme – Transformation to Senior Policy & Programme Manager	Change in lead officer responsible for risk management across the council.

11.8 Regular updates on the Corporate Risk Register and management actions and controls in place to manage and/or mitigate the risks are reported to Audit and Governance Committee throughout the municipal year

11.9 The Policy also includes the council's risk appetite statements (Section 8), which sets out the level of risk the council is prepared to take whilst also making the most of opportunities and innovation when they arise. These have been reviewed and the previous risk appetite, defined overall as 'moderate,' is still considered to be appropriate. The council continues to tend towards exposure to only modest levels of risk to achieve acceptable outcomes. Risk appetite is not a single, fixed concept and therefore each Council Plan priority has its own risk appetite for the coming year. There has been one change from the previous year and that is to move the risk appetite for Thriving Plans from 'Moderate' to 'Open' enabling the council to consider all delivery options when taking decisions to and select those the with the highest productivity outcomes, even when there are elevated levels of associated risk.

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1   None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3500

Other Background Documents:-

None.

APPENDICES:

Appendix 1 – Risk Management Policy 2026/27

Risk Management Policy

2026/27

Version Control – Risk Management Policy 2026/27			
Version	1.1	**Approved by**	Cabinet
Date last amended	18/02/2026	**Approval date**	12/03/2026
Lead officer	Gareth John, Director Legal	**Review date**	01/04/2027

Version History			
Date	**Version Number**	**Summary of Changes**	**Author**
29/01/2025	1.0	Annual review and refresh in-line with best practice	Amy Tranah – Head of Programme – Transformation and Digital
18/02/2026	1.1	Annual review and refresh in-line with best practice	Simon Howson – Senior Policy & Programme Manager

Please contact the author of this document if you require it in an alternative format, such as large print or a coloured background.
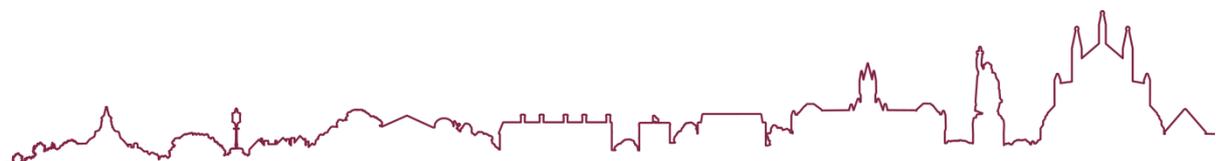
1. Introduction

As part of Winchester City Council's (the council) arrangements to ensure good governance, the purpose of effective risk management is to provide assurance and demonstrate that the council is 'risk aware.' This entails being able to identify risks, evaluate their potential consequences and determine the most effective methods of controlling or responding to them.

The council believes that risk needs to be managed rather than avoided and that consideration of risk should not stifle innovation and creativity.

This policy outlines the approach the council takes with regard to its responsibility to manage risks and opportunities using a structured, focused and proportionate methodology. Risk management is integral to all policy and project planning and operational management throughout the council and integrates with our corporate governance and performance management.

This approach to risk management actively supports the achievement of the agreed actions, projects and programmes included as set out in the Council Plan 2025-30.

Risk can be defined as 'the effect of uncertainty on objectives' ('ISO 31000:2018, clause 3.1).

Good risk management is about identifying what might go wrong, assessing our level of tolerance towards that and then putting in place measures to prevent the worst from happening, or to manage the situation if something does go wrong. It is also about assessing what must be done to support achievement of the council's objectives and acting in a way that makes this more likely to happen.

2. Our corporate approach to risk management

Risk management is about providing assurance by being 'risk aware.' Risk is ever present in everything that we do and some risk taking is inevitable if the council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being 'risk aware' the council is better placed to avoid threats and take advantage of opportunities.

The aim of our Risk Management Policy is to be fit for purpose, reflect our size and the nature of our various operations, and use our resources, skills and capabilities to the full. Risk management is most effective as an enabling tool, so we need a consistent, communicated and formalised process across the council.

[1] ISO 31000:2018 - Risk management Guidelines

The council is a corporate member of ALARM, a not-for-profit professional membership association that has supported risk and insurance professionals in Public Service Organisations in the UK for over 30 years and this policy has been developed in-line with best practice.

Robust project management processes and principles will enable identification of potential risks early in the process and set out how these can be managed. Staff training in project management and risk management principles is essential to embed good practices.

By embedding a culture of risk management into the council, members and officers are able to make effective decisions about services and the use of financial resources to ensure that the council's objectives are met.

An effective corporate approach to risk management will:

- Make it more likely that the council's priorities will be achieved
- Safeguard the organisation and provide assurance to members and officers
- Become part of every manager's competency framework, job description and performance appraisal
- Provide support to the overall governance of the organisation
- Improve decision making
- Identify issues early on
- Provide a greater risk awareness and reduce surprises or unexpected events
- Develop a framework for structured thinking
- Ensure best use of finances and resources as risks are identified and managed and exposure to risk is minimised
- Facilitate achievement of long-term objectives
- Ensure a consistent understanding of and approach to risks

3. Our risk management framework

Risk management is the process of identifying significant risks relevant to the achievement of the council's strategic and operational objectives, evaluating their potential consequences and implementing the most effective way of managing and monitoring them.

The framework and process arrangements supporting risk management at the council involve:

- A Risk Assessment Tool (section 4)
- Details of how risk management supports corporate planning and operational management (section 5)
- Risk appetite statement (section 8)
- Monitoring and review arrangements (section 10)
- A timetable linked to the corporate governance programme (section 11)

4.   Risk Assessment Tool

The Principles

The council generally manages risk effectively within the course of its normal operations through its management structure and governance arrangements.

Risk Assessment Tool
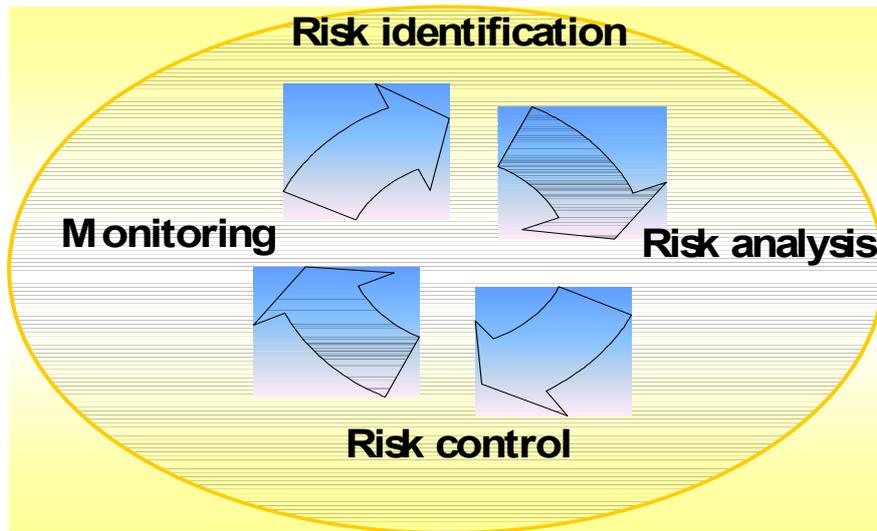
When identifying risks, it can be helpful to use the following sources of risk as prompts to ensure that all areas of risk are considered:

Sources of Risk	Risk Examples
Property, Infrastructure and Assets:	Functioning of transport, communications and utilities infrastructure. The impact of storms, floods and pollution. Security and safety of property, plant equipment and infrastructure
Political, Legal and Regulatory:	Effects of change of government policy, UK legislation (where applicable), national or local political or control, meeting the Council Plan outcomes. Issues of timing. Following the organisation's stated/agreed policy. Legality of operations
Professional judgement & activities	Risks inherent in professional work such as assessing clients' welfare or planning or response to the Equalities Act.
Reputation	Affecting the public standing or perception of the council, partnerships, or individuals (affecting the council). Management of issues that may be contentious with the public or the media.

Sources of Risk	Risk Examples
Technological	Capacity to deal with obsolescence and innovation, product reliability, development and adaptability or ability to use technology to address changing demands. Business continuity – ability to continue operations / service delivery if unable to access systems, property or with limited staff (e.g. pandemic).
Commercial: Competition & markets	 Affecting the competitiveness (cost and quality) of the service and/or ability to deliver value for money and general market effectiveness.
Contracts & partnerships	Dependency on or failure of contractors to deliver services or products to the agreed cost and specification. Procurement contract and relationship management. Overall partnership arrangements, e.g. for pooled budgets or community safety. PFI, and regeneration.
People: Customer & Stakeholder – related	 Satisfaction of citizens, users, central and regional government and other stakeholders. Managing expectations – consulting & communication on difficult issues.
People management & human resources	Managing changes to services that may affect staff and/or ways of working. Resourcing the implementation of the option. Employment issues (TUPE etc.), Maintaining effective health & safety of staff and users.
Financial:	Risk of loss of capital or investment; or of committing the organisation to budgeted increased future costs. Risk of fraud or non-compliance with tax regulations.
Sustainability: Environmental	 Environmental consequences arising from option (e.g. in terms of energy efficiency, pollution, recycling emissions etc.)
Social Factors	Effects of changes in demographic, residential and social trends on ability to deliver objectives.
Financial (Economic)	Costs, long term financial sustainability/ reliance on finite or vulnerable funding streams. Financial control, fraud and corruption.

Note: Failure to manage risks in any of the above categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, citizen and operational consequences.

It is important to maintain a sense of proportionality with day-to-day risk and the following principles will be applied:

- Managers have a good understanding of their services and service developments and are able to adequately identify the risks involved.

- Managers understand the limits that the organisation places on the action that can be taken by any individual officer. There is a general awareness of what management action is appropriate and where further consultation and approvals are required with colleagues and more senior managers. The organisation therefore recognises its risk appetite in relation to the decisions it takes.

- There is a good level of understanding of what level of risk is acceptable to take during the normal course of work and the organisation recognises its risk appetite in relation to its ongoing activities.

- Unnecessary bureaucracy should be avoided, in particular by preparing documentation solely to demonstrate (rather than support or enhance) effective management. The cost (in terms of the time involved) relative to the benefit gained by defining every possible risk in detail and assigning impact and likelihood scores to each risk associated with every planned or current activity is deemed too great to be generally worthwhile. However, where there are known concentrations of risk, such as in new service developments or relating to our programme of tier 1 projects, managers understand that they must document, monitor and manage these risks using the council's scoring framework. Similarly, the senior leadership team (or whoever is appropriate) should seek to identify, assess and manage those risks that seem likely to cause problems or bring benefits at a corporate level.

- The internal audit team at the Southern Internal Audit Partnership (SIAP) work with the responsible Strategic Director and Executive Leadership Board (ELB) to consider the council's assurance needs and makes its own assessment of the internal audit work required to provide this assurance.

- Managers are encouraged and supported to consider the potential threats and opportunities involved in any new service developments and improvements, and to monitor ongoing performance. Documentation of risks, related controls and mitigating action plans should be considered where this is helpful and appropriate and, where this is the case, risk registers should be prepared. This is likely to be appropriate for specific service development projects when project risk registers must be monitored closely by the lead project manager and sponsor.

- It is the responsibility of all staff to assess risks associated with their work and projects and to escalate any potential existing or emerging risks which they feel cannot be managed within sensible parameters to ELB.

- The Programme Management and Capital Strategy (PAC) Board regularly review the risks of all major projects (Tier 1 and 2) and capital programme schemes.

Identification of risks

ELB regularly reviews the Corporate Risk Register and decides if any risks need to be escalated, if there are any emerging risks to be added or any risks that should be removed. Risk owners for corporate risks are generally a member of ELB. The Risk Register records a Risk Description, Risk Owner and details of potential causes, consequences and controls. The inherent risk should be assessed and recorded (the original level of risk before treatment measures have been taken into consideration) and also the residual risk (the remaining level of risk after risk mitigation and control measures have been taken into consideration.) ELB also review the current controls and decide if any further are needed or whether the residual risk is accepted.

The Corporate Risk Register is included as an appendix to the Risk Management Policy and formally agreed each year by cabinet. Audit and Governance Committee reviews the risks and policy to make comments to cabinet on the efficacy of the arrangements for managing risk at the council.

Service or operational risks are reviewed by the relevant Corporate Head of Service (CHOS) on an ongoing basis and significant risks added to the relevant statement of assurance during the spring of each year.

Increases to the ratings of Operational Risks are reported to ELB who review the current controls and assess whether further mitigation measures are required.

ELB also review the high-risk Operational Risks to identify if any are linked to current Strategic Risks so that impact can be assessed and considered in the whole.

The council's project management methodology follows best practice frameworks including PRINCE2 and the Association of Project Management (APM). Incorporated within this methodology is a robust process for the management and reporting of project risks. Project managers are responsible for assessing risks and creating a risk register for each new project they lead and regularly reviewing the risks and updating the risk register throughout the project lifecycle.

Overarching project risks (for example, failure to deliver on a specific project) may be escalated to the corporate risk register if they are of sufficient importance at this level and/or the risks would have a significant impact on delivery of one or more Council Plan priorities. Tier 1 and Tier 2 projects are reviewed regularly by the PAC Board.

The Annual Governance Statement is also a key part of risk management and plays an important role in the identification, assessment and escalation of risks. The statement is produced annually following a review of the council's governance arrangements including how the council delivers good governance. Underpinning the statement are the individual statements of assurance which are completed by each

Service Lead and include details of significant risks for their service area and actions to be undertaken to mitigate the risks. Risks which have additional corporate significance are escalated into the Annual Governance Statement which reads across into the Corporate Risk Register.

It is important for Service Leads to refer to this Policy when completing their statement of assurance and providing details of risks affecting the pursuit of team objectives and delivery of the priorities included in the Council Plan (although this is not the only time risks will be considered).

5.   How risk management feeds into corporate planning and operational management

By embedding risk management into existing policy and business planning processes, members and officers can make informed decisions, for example about the appropriateness of adopting a policy or service delivery option.

The information resulting from the risk management approach acts as one of the key pieces of information incorporated into the development of corporate, business and service plans. Risk management is an essential element in establishing policy, developing plans and enhancing operational management.

In order to formalise and structure risk management at the council, it is recognised that there are obvious and clear links between risk management and strategic objectives; financial planning; policy making & review and performance management. The linkages are as follows:

a) The Council Plan reflects the desired outcomes for the district, informed by consultation with residents and stakeholders and sets out the priority outcomes for the council and identifies the important issues that will be addressed over the life of the Plan through the work of the council and its partners. During the lifetime of the Plan there will be direct and indirect threats to the achievement of the outcomes, and these are risks that must be effectively managed.

b) As part of the annual planning process each team considers the key actions to be taken and targets for performance and Corporate Heads of Service prepare strategic service plans for their areas. An assessment of the risks form part of this planning which is an identification and prioritisation of the most significant risks faced in delivering the key priorities for the year, with actions identified to mitigate and manage these. These actions are then managed as part of the normal business of the team.

c) All staff have an annual appraisal which monitors progress being made and sets objectives for the coming year required to deliver service plan actions and achieve. As part of this, risk management is cascaded down to risk owners as an objective which aims to gain their support and awareness to ensure effective management of

risk within the council. Risk Owners are required to review and update their risks quarterly. This process is managed via the council's Risk Management software with Risk Owners being prompted to update risks in accordance with the policy. This ensures corporate visibility of new, escalated and de-escalated risks for reporting as appropriate.

d) Measurement of performance against the Council Plan outcomes, performance indicators and key tasks is achieved in a number of ways:

- In addition to day-to-day management, teams carry out a regular review of progress in their area, which includes assessment of progress against Council Plan actions, performance trends and risks. Where appropriate, exceptions are reported to ELB for consideration and agreement of corrective action, if required.
- ELB also keep an overview of financial plans, with service performance and emerging risks with corporate risks being reviewed quarterly. If a risk materialises and becomes a live 'issue' the response to this and owner of the issue is agreed by ELB.
- The Scrutiny Committee receives quarterly reports that provides an update on the progress achieved against Key Performance Indicators (KPI's) which reflect actions included in the Council Plan and any significant issues are raised with cabinet.
- PAC Board consider risks for major projects and capital programme schemes.

6.   How do we evaluate risks?

The council evaluates its identified risks on a four-point scale on the likelihood or probability of the risk occurring and the impact caused should the risk occur being rated between low and significant.

RAG (Red-Amber-Green) ratings, also commonly known as 'traffic lighting,' are used to summarise risks (original and residual).   At a basic level Green means low-risk or likelihood and that any risk is being well managed; while Amber and Red indicate progressively more significant or likely risks that require more action to manage down to a tolerable level.

The council has chosen to divide the rating into RAG bands as shown on the risk map below:

		IMPACT			
		Low (1)	Moderate (2)	Major (3)	Significant (4)
LIKELIHOOD	Highly Likely (4)	🟧	🟧	🟥	🟥
	Likely (3)	🟩	🟧	🟥	🟥
	Unlikely (2)	🟩	🟩	🟧	🟧
	Highly Unlikely (1)	🟩	🟩	🟩	🟧

Impact Rating

The following table provides the definitions which should be used when determining whether a risk would have a Low, Moderate, Major or Significant impact.

Impact is defined as the impact to the organisation should the risk materialise.

Each potential risk area should be considered, and the highest impact scored should be the score (1-4) that is used to define the overall impact score.

	Low (1)	Moderate (2)	Major (3)	Significant (4)
Financial	Less than £20k	£20k or over and less than £250k	£250k or over and less than £2m	£2m plus
Service Provision	No effect	Slightly Reduced	Service Suspended Short Term / reduced	Service Suspended Long Term Statutory duties not delivered
Health & Safety	Sticking Plaster / first aider	Broken bones/illness Lost time, accident or occupational ill health	Loss of Life/Major illness – Major injury incl broken limbs/hospital admittance. Major ill health	Major loss of life/Large scale major illness
Morale	No effect	Some hostile relationship and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention / minor letters	Adverse Local media	Adverse National publicity	Remembered for years
Govt relations	One off single complaint	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently

Likelihood Rating

Likelihood is the chance of a risk materialising.

It is unlikely that in many cases the probability of a risk occurring can be calculated in a statistically robust fashion as we do not have the data to do so. However, as an indicator, the likelihood is defined by the following probability of a risk occurring:

Likelihood	Probability
Highly Unlikely (1)	1% to 25% chance in 5 years
Unlikely (2)	26% to 50% chance in 5 years
Likely (3)	51% to 75% chance in 5 years
Highly Likely (4)	76% to 100% chance in 5 years

7   How we respond to risks

Once a risk has been identified, the council need to decide and agree what it is going to do about it. The recognised approaches to controlling risks are described as the five key elements or 5 T's; Tolerate, Treat, Transfer, Terminate and Take the opportunity. These are described in more detail below. It is generally accepted that where a risk can be reduced through some form of treatment or mitigation in a cost-effective fashion then it is good to do so.

As a general principal, once a risk has been identified, consideration must be given to the five T's and that the chosen approach is seen as being cost-effective so that the control of the risk is not disproportionate to the expected benefits.

The five T's are:

Treatment   By far the greatest number of risks will be addressed in this way by using appropriate control counter measures to constrain the risk or reduce the impact or likelihood to acceptable levels. Examples include strategy, process, people or systems improvement.

Transfer   For some risks the best response may be to transfer them, and this might be done by transferring the risk to another party to bear or share the risk, e.g. through insurance, contracting or entering into a partnership. Reputation risk can never be transferred.

Tolerate   Where it is not possible to transfer or treat the risk, consideration needs to be given to how the consequences are managed should they occur. This may require having contingency plans in place, for example, Business Continuity Plan which creates capacity to tolerate risk to a certain degree.

Terminate   Some risks will only be treatable, or containable to acceptable levels by terminating the activity that created them. It should be noted that the

option of termination of activities may be severely limited in government when compared to the private sector; a number of activities are conducted in the government sector because the associated risks are so great that there is no other way in which the output or outcome, which is required for the public benefit, can be achieved. This option can be particularly important in project management if it becomes clear that the projected cost / benefit relationship is in jeopardy.

Take the
Opportunity This option is not an alternative to those above; rather it is an option which should be considered whenever tolerating, transferring or treating a risk. There are two aspects to this. The first is whether or not at the same time as mitigating threats; an opportunity arises to exploit positive impact. For example, if a large sum of capital funding is to be put at risk in a major project, are the relevant controls judged to be good enough to justify increasing the sum of money at stake to gain even greater advantages? The second is whether or not circumstances arise which, whilst not generating threats, offer positive opportunities. For example, a drop in the cost of goods or services frees up resources which can be re-deployed.

8.   Risk Appetite

ALARM defines risk appetite as *"The amount of risk to the organisation, or subset of it, it is willing to accept."* (Source: ALARM Risk Management Toolkit 2021).

A clearly understood and articulated risk appetite statement assists with the risk awareness for the council and supports decision making in pursuit of its priority outcomes and objectives.

The council's Risk Appetite Statement is an integral part of its Risk Management Policy and ensures that the opportunities the council is willing to take to achieve its strategic outcomes and objectives are measured, consistent and compatible with the capacity to accept and manage risk and do not expose the council to unknown, unmanaged or unacceptable risks.

This statement will be reviewed and approved by cabinet annually. The approved statement will be included as an appendix to the Risk Management Policy. The council may decide to move the appetite up or down based on a number of influencing factors including financial and capacity, and the council may have a higher 'aspirational' risk appetite once sufficient assurance is gained and processes put in place to manage the higher levels of risk.

Risk management is about being 'risk aware.' Risk is ever present in everything that we do and some risk taking is inevitable if the council is to achieve its objectives. Risk management is about making the most of opportunities when they arise and achieving objectives once those decisions are made. By being 'risk aware' the

council is better placed to avoid unforeseen problems and take advantage of opportunities that arise.

We recognise risk management as a vital activity that underpins and forms part of our vision, values and strategic objectives, (including operating effectively and efficiently), as well as providing confidence to our community.

The council's Risk Appetite 2026/27

The council will take fair, measured and targeted levels of risk to achieve the priority objectives included in the Council Plan. There will be opportunities for the council to be innovative or work differently and any identified risks will need to be considered against the anticipated cost and efficiency benefits.

When analysing the risk associated with decisions, the council considers the parameters around five key areas of risk, illustrated in the following diagram.

Financial exposure, affordability of losses and the VfM of them.

Exposure to challenge - how this can be managed / mitigated?

Achievement of outcome - likelihood of delivering planned benefits

Risk considerations

Reputation - what are the repercussions of and exposure to scrutiny?

Innovation - what degree of exploration and development is required?

The Risk Appetite Statement supports members and officers in decision making by setting out where Cabinet is comfortable accepting different levels of risk, and which levels of risk are potentially unacceptable. The council's risk appetite should be considered in conjunction with the risk section of all committee reports when decisions are made.

The council's current overall risk appetite is defined as MODERATE (see table below for definitions). This means the council remains open to innovative ways of working and to pursue options that offer potentially substantial rewards, despite also having greater level of risks. However, the council's preference is for safe delivery options which have a lower degree of risk, especially for those services required by statute.

Risk Appetite Definitions	
Avoid	No appetite. Not prepared to take risk.
Averse	Prepared to accept only the very lowest levels of risk, with the preference being for ultra-safe delivery options, while recognising that these will have little or no potential for reward/return.
Cautious	Willing to accept some low risks, while maintaining an overall preference for safe delivery options despite the probability of these having mostly restricted potential for reward/return.
Moderate	Tending always towards exposure to only modest levels of risk in order to achieve acceptable outcomes.
Open	Prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk.
Hungry	Eager to seek original/creative/pioneering delivery options and to accept the associated substantial risk levels in order to secure successful outcomes and meaningful reward/return.

Risk appetite is not a single, fixed concept and there will be a range of appetites for different risks which may vary over time. The council's risk appetite by corporate priority and guiding principles are set out below:

Council Plan Priority	Risk Appetite	
Greener Faster	Open	Reflecting the urgency of the climate crisis we will consider options with elevated levels of risk if they deliver required outcomes faster.
Good homes for all	Open	We will choose innovative solutions which may bring elevated levels of risk in order to provide homes that are: • Affordable • safe • sustainable • with low energy usage and low bills • built in the right areas for our changing communities.
Healthy Communities	Moderate	We will continue to facilitate and deliver solutions, often working with partners, that produce positive outcomes for all our residents. We will usually take moderate to low-risk options.
Thriving Places	Open	We will consider all delivery options when taking decisions to improve run down areas by selecting those with the highest probability of productive and positive outcomes.
Efficient and Effective	Moderate	We will, in order to ensure resilience, enhance our services and make the best use of our resources and explore alternative delivery models and digital solutions. We will tend towards moderate risk exposure to deliver good levels of service.

Listening and Learning	Moderate	We will tend towards exposure to modest levels of risk in order to improve engagement and satisfaction with our services.

Assessing Risk against Risk Appetite

Effective risk management should support informed decision-making. A key consideration in balancing risks and opportunities to support informed decision-making and preparing tailored responses is the conscious and dynamic application of the organisation's risk appetite.

To give guidance to Officer's in terms of assessing project and decision risk against the council's risk appetite, the below table maps the risk appetite definitions above to the impact and likelihood set out in Section 6:

		IMPACT			
		Low (1)	Moderate (2)	Major (3)	Significant (4)
LIKELIHOOD	Highly Likely (4)	*Cautious*	*Open*	*Hungry*	*Hungry*
	Likely (3)	*Cautious*	*Open*	*Hungry*	*Hungry*
	Unlikely (2)	*Averse*	*Moderate*	*Open*	*Open*
	Highly Unlikely (1)	*Averse*	*Cautious*	*Moderate*	*Open*

9. Risk Registers

Individuals view risk in different ways, based on past experiences, personal beliefs and outlook, which impact risk perception. Having a structure and process improves consistency and alignment, ensuring a clear consensus on the prioritised risks facing an organisation, recorded in a risk register.

Risk registers are reference documents that summarise the different risks that might occur and record the potential impact to the council. Just because a risk is included on the risk register does not mean that the council thinks it will happen, but it does mean that the council thinks it is worth seeking to manage. The risk score is, therefore, based on a 'reasonable worst-case scenario.' The methodology for the scoring of risks is included in section 6 above.

The council maintains several risk registers, and these are:

- Corporate Risk Register – this register records the most significant risks for the council or those risks which may prevent the council from achieving its strategic objectives as set out in the Council Plan. Corporate Risks are managed by ELB.
- Operational Risk Register – includes risks that might affect the delivery of individual services but would not in isolation threaten the council's overall objectives. Operational risks are managed by the Corporate Heads of Service.
- Project and Programme Risk Registers – provides a register of the risks that if they occur have a positive or negative effect on the achievement of the project's and programme objectives. Project or Programme Managers manage project and programme risks.

10. How we monitor and report risk

Risk management must be embedded into decision making, business planning and performance management arrangements so that it is central to the way the council works. It contributes to the concept of 'no surprises,' 'Getting it right first time' and 'Having a Plan' which will be useful should the unexpected happen.

The framework of monitoring and reporting has been developed using the council's performance management software; Pentana, which is able to record the risks onto the system with the relevant risk owner having access so that monitoring and updating can take place.

This requires:

- ELB monitors and reviews progress against corporate risks as part of its quarterly monitoring meeting, making a judgement on any risks referred for escalation and identifying any risks that can be moved to operational risk registers. Results of these reviews will form part of the regular monitoring report submitted to the Audit and Governance Committee and reported to Cabinet if decisions on any procedure or policy changes are needed.
- The Audit and Governance Committee receives regular monitoring reports that provide assurance that the risks identified on the Corporate Risk Register are being adequately managed. The Audit and Governance Committee may decide to receive in-depth reports for the most significant risks on the register or risks that are causing concern.

If at any time a risk other than those on the Corporate Risk Register (for example an operational risk) is scored 'red' full details will be presented to the quarterly ELB meeting for further consideration and approval of appropriate mitigation action and controls if required. This may include escalation to the Corporate Risk Register. ELB also receive notification of any other escalated or new Operational Risks for review quarterly.

All council committee reports include a section titled "Risk Management." The purpose of this section is for the author to demonstrate and provide evidence that the risks associated with the content of the report have been properly identified, assessed and evaluated. The table in this section is split into categories of potential risk sources. Consideration should also be given to the council's Risk Appetite to support decision making. This sets out the amount and type of risk that the council is prepared to seek, accept or tolerate.

11. Timetable

Risk management is an integral part of corporate governance, and in particular is closely linked with performance management. Therefore, the cyclical timetable for risk management follows that of the performance management framework:

When	Who?	What?
Winter / Spring	Executive Leadership Board	• Quarterly review of Corporate Risk Register • Budget and Business Plan risks considered • Reviews and comments on the draft Risk Management Policy and Risk Appetite Statement and for the coming year
	Audit and Governance Committee	• Review the Corporate Risk Register and monitoring report • Reviews and comments on the draft Risk Management Policy and Risk Management Appetite for the coming year
	Cabinet	• Approval of updated Risk Policy for the forthcoming year • Approval of Risk Appetite for forthcoming year • Approval of Corporate Risk Register
Summer	Executive Leadership Board	• Quarterly review of Corporate Risk Register and any escalated or new Operational Risks
	Audit and Governance Committee	• Review the Corporate Risk Register and monitoring report • In-depth update for significant corporate risks as requested
Autumn	Executive Leadership Board	• Quarterly review of Corporate Risk Register and any escalated or new Operational Risks

When	Who?	What?
	Audit and Governance Committee	• Review the Corporate Risk Register and monitoring report • In-depth update for significant corporate risks as requested

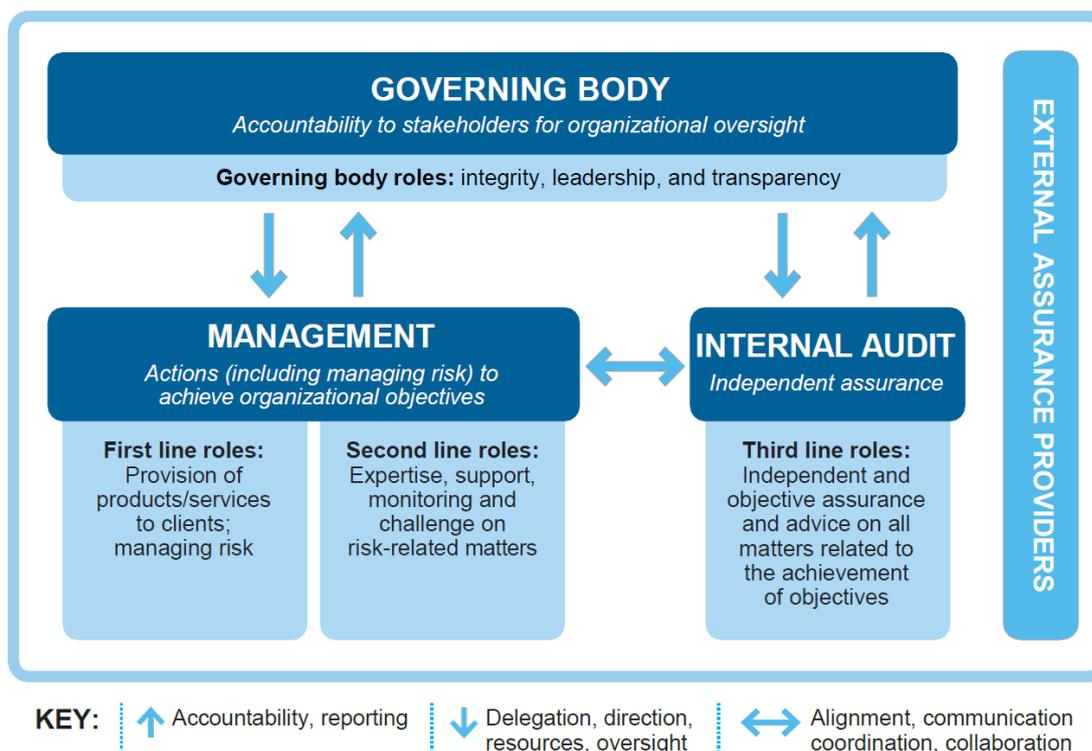## 12.   Risk Management roles and responsibilities

Assurance can come from many sources within an organisation. A concept for helping to identify and understand the different contributions the various sources can provide is the Three Lines of Defence model. By defining the sources of assurance in three broad categories, it helps to understand how each contributes to the overall level of assurance provided and how best they can be integrated and mutually supportive

This concept is widely known among the insurance, audit and banking sectors as a risk governance framework. The concept can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision making, risk and control to achieve effective risk management, governance and assurance.

The following table is an example of the three lines of defence concept.

Example: Three line of defence model from the Institute of Internal Auditors (IIA)

The IIA's Three Lines Model

GOVERNING BODY
Accountability to stakeholders for organizational oversight

Governing body roles: integrity, leadership, and transparency

MANAGEMENT
Actions (including managing risk) to achieve organizational objectives

INTERNAL AUDIT
Independent assurance

EXTERNAL ASSURANCE PROVIDERS

First line roles:
Provision of products/services to clients; managing risk

Second line roles:
Expertise, support, monitoring and challenge on risk-related matters

Third line roles:
Independent and objective assurance and advice on all matters related to the achievement of objectives

KEY: ↑ Accountability, reporting   ↓ Delegation, direction, resources, oversight   ↔ Alignment, communication coordination, collaboration

First line of defence:

As the first line of defence, Service Leads or Service Managers own and manage risks within their service area. They are also responsible for implementing appropriate corrective action to address, process and control weaknesses.

Service Leads are also responsible for maintaining effective internal controls and managing risk on a day-to-day basis. They identify, assess, control and manage risks ensuring that their services are delivered in accordance with the council's aims and objectives.

Second line of defence:

The second line of defence relates to the strategic direction managed by ELB and the council's oversight functions (e.g. Finance, Legal Services, Procurement and HR) which are responsible for defining policies, setting direction, ensuring compliance and providing assurance.

Included within the Anti-Fraud and Corruption Policy is the council's Whistleblowing Policy which encourages staff to report concerns which may expose the council to risk.

Third line of defence:

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the organisations operations. It helps the council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The aim of internal audit's work programme is to provide assurance to management, in relation to the business activities, systems or processes under review that the framework of internal control, risk management and governance is appropriate and operating effectively; and risks to the achievement of the council's objectives are identified, assessed and managed to a defined acceptable level.

Such risks are identified through senior management liaison and internal audits own assessment of risk. External audit, inspectors and regulators also provide assurance on the management of risk and delivery of objectives.

S151 Officer:

In addition to the three main lines of defence, there is the role of the S151 Officer. CIPFA outlines one element of the role as, "demonstrates integrity by being based on robust systems for identifying, profiling, controlling and monitoring all significant strategic and operational risks"

Other Specific Responsibilities

Who	What
Members	Elected members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic objectives and risks that the council faces and will be made aware of how these risks are being managed.
Cabinet	• To ensure that effective arrangements are in place throughout the council, and these are kept up to date, • Approving the council's Risk Management Policy and Risk Appetite, • Monitoring the council's risk management and internal control arrangements via an exception reporting process, • Ensuring that Cabinet decisions made are cognisant of the council's Risk Appetite.
Audit and Governance Committee	The Audit and Governance Committee's role is to provide independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance, and to monitor the effective development and operation of risk management and corporate governance in the council.
Executive Leadership Board (ELB)	ELB is pivotal in promoting effective risk management and ensuring that it is embedded in the culture of the council. The key responsibilities for the Chief Executive, S151 officer and ELB are: • Promoting the implementation of the council's risk management arrangements on a corporate basis • Supporting and promoting the benefits of effective risk management throughout the council • Supporting the identification and assessment of risk on an ongoing basis • Annually review the Corporate Risks to be presented to Cabinet • Manging the Corporate Risks
Programme and Capital (PAC) Board	Regularly review the progress of the council's major projects and capital programme schemes. Includes review of risk registers, oversight of programme management and budget management
Corporate Heads of Service, Heads of Programme, Service	Senior managers have responsibility for minimising and managing risk within their teams. They will demonstrate their commitment to risk management through:

Who	What
Leads and Senior Managers	• Being actively involved in the identification and assessment of risks • Developing relevant action plans for the key risks and establishing relevant performance indicators to measure their performance through the performance management framework • Incorporating the risk management process into business/service planning processes • Monitoring the Teams' risks regularly and on no less than a quarterly basis • Encouraging staff to be open and honest in identifying risks or potential opportunities • Ensuring that the risk management process is part of all major projects and change management initiatives • Ensuring that the risk management process is part of all major procurements and contract management activity • Monitoring and reviewing action plans regularly to effectively treat risks
Risk and Insurance Support	• Facilitate and support the procurement of the council's insurance programme and the management of claims. • Support managers in understanding where risk can be transferred by the use of insurance mechanisms
Senior Policy & Programme Manager	• Provide risk management leadership and support across the council, • Provide assistance with and prepare management reports. • Support the Executive Leadership Board and senior managers on risk related issues.
All staff	All staff have the responsibility for council risks and must understand their role in the council's risk management arrangements including the Anti-Fraud and Corruption Policy which includes the Whistleblowing Policy. Training and support is provided at the staff induction and periodically. All staff are expected to know how to recognise, assess and evaluate risk, when to accept risk and to recognise that risks can create opportunities for the council.
Southern Internal Audit Partnership	The role of the Southern Internal Audit Partnership who act as the council's Internal Auditors is that of an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its

Who	What
	objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. It will be responsible for undertaking an assessment of the council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.

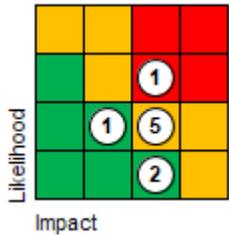Everyone involved in risk management has a responsibility to identify learning from risks and their management.

Corporate Risk Register

Significant strategic risks have been reviewed by ELB and below is the current Corporate Risk Register 2026/27.

Corporate Risk Register 2026/27

Winchester City Council

As of 4 February 2026

Residual Risk Summary:

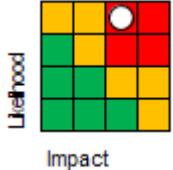| Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	• Ambitious council plan with multiple strands of activity • Staff resources are lean, and teams are working at capacity to deliver services at current levels of demand • Outbreak of a pandemic that increases the pressure to continue to provide critical services as well as respond to the needs of residents and businesses	• If decision making is slow, delays occur, and potentially available resources are redeployed or become unavailable if they are externally sourced • Implementation of business continuity plan to target work in critical areas in cases of staff shortage • If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities		• Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place • Critical activities are reviewed with Cabinet alongside a refreshed Council Plan approved in January'23 • Proactive approach to communications internal and external • 50/50 hybrid working policy agreed	

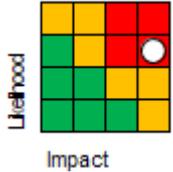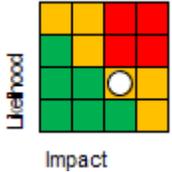| Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			affected by the pandemic • Competition from the private sector for key staff roles e.g. planning, project management • Decision making can be slow • Tension between day-to-day and strategic priorities • Key skills not in the right place • Budget uncertainty • Preparing for Local Government Reorganisation	• If staff are diverted, then can't deliver on other lower-level priorities or day-to-day work • Reputation is damaged as the council is not seen to be able to deliver projects • Local members are not always kept informed of activity in their area • Unable to deliver key council services		• Maintaining communication • Annual business planning, with actions and projects aligned to Council Plan priorities • Regular meetings with relevant cabinet members • Positive use of fixed term contracts to aid flexible resourcing • Targeted use of external resource • Reallocation of human and financial resources across and within the organisation as required • PAC Board regularly reviews resources available to deliver projects • Substantial assurance opinion following internal audit review of corporate planning and performance monitoring. • Close monitoring of the impacts of LGR on council capacity	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						and delivery of services and reflected in future service plans	
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change or procedural errors	Monitoring Officer G John	• Lack of skill and/or time to identify evidence to support decision making • Lack of consultation with ward members and/ or parish councils over local issues • Procedural error in statutory process • Inconsistent and traditional approach to customer engagement across the council • Lack of awareness of the questions to ask • Lack of awareness of the 'right time' to engage • Lack of public awareness of the opportunity to engage • Council is not aware of the full range of interested stakeholders • Council may only hear the loudest voices and not the silent majority or those that do not readily engage	• Lack of a robust and evidence-based approach to customer engagement can lead to: - Reputational damage - Views that the council is too Winchester-centric - Decisions made are Inequitable - A perception that people's views are ignored • Ward members and/or parish council's not being informed • Legal/ judicial review or challenge against a decision made		• Engagement with ward and parish councillors (on matters within their ward or parish) encouraged • Risks with regard to significant projects are recognised and addressed separately via robust Project Management and regular reports to the Programme and Capital Strategy Board • Legal and Monitoring Officer consultation on decisions made • 2024 Residents' survey commissioned and will be undertaken in June'24 and results will be used to evidence decision making • A proactive open and transparent approach to communication based on Gunning Principles	

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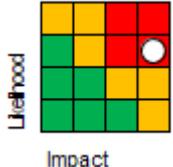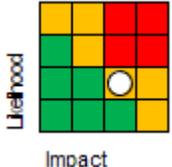| Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						• Use of external specialist advice when appropriate • Commitment made in the refreshed Council Plan in terms of 'Listening Better' • Equality, Diversity, and Inclusion Action Plan is being embedded across the organisation • Updated Constitution adopted at Council on 30 November 2023 • Where possible and appropriate, digitalisation will be utilised to mitigate against procedural errors • Substantial assurance opinion following internal audit review of decision making	
CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has a significant impact on the ability of the Council to provide its services	Chief Executive	• Not maintaining an effective corporate wide Business Continuity Plan • Not regularly testing the plan and following-up learning • Key staff unavailable	• Unacceptable delay and uncertainty in returning to normal working after an emergency • Adverse publicity and criticism • Reputation damage • Adverse social and/or economic impact		• Business Continuity Plans reviewed and tested in 2024 and approved by ELB • IT Disaster Recovery Plan exercise held on 20 March • Business critical services reviewed in	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			• Communication systems ineffective • Lack of awareness of Business Continuity Plan • Failure to assess business critical functions and have plans in place			2025 with individual business continuity plans created, and approved • All staff able to seamlessly work from home, where job allows • 2023 internal audit review of business continuity offered substantial opinion and no identified weaknesses. • Work programme in place for 2026 to review, update and test plans	
CR006	Breakdown of effective partnership working	Chief Executive	• Partnerships can falter due to lack of shared vision within partnerships • Money spent on Partnership working doesn't add value • Strategic partnerships may falter due to conflicting demands within individual partners • Incorrect application of the procurement regulations due to a misunderstanding as to how and when they	• Significant project delivery such as the major projects and the new homes building programme could fail due to failure of strategic partnerships • Local delivery could fail if local strategic partners are not aligned • Reputational damage to all partners • Lack of value for money (VfM)		• Annual review by each CHoS of all partnerships undertaken to identify key strategic partners • Partnership register established and endorsed by ELB on 6 March. • Guidance documents available from Knowledge Hub • Partnership Governance and Management Framework adopted.	

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Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			• apply to partnership working • Partnerships may be unsuccessfully commissioned due to lack of skills and poor scoping • Significant local, regional, or national partners may close down, affecting the council			• Partnership scoring tool available to assess project tier • Management checklist available from Knowledge Hub	
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget (General Fund and HRA)	Director of Finance L Keys	• Reduced Government funding • Reliance on strategic partners to deliver services and projects • Macro economy, including effects of Brexit, reduces locally generated Business Rates and parking income • Failure to achieve income targets • Inflation rises • Penalties are imposed on the Council due to falling standards in services • Impact of a Pandemic • Additional financial costs preparing for Local Government	• Unable to balance the budget • Increased Council Tax • Public's ability to pay for services • Reduce services provided • Demand/cost of services • Increased construction costs and impact on delivery and viability of key projects • Over borrowing and avoidable cost		• One year funding settlement in place • MTFS approach setting out medium and longer term options • Quarterly finance reporting and monitoring of key income sources • Regular policy review and monitoring • Scenario planning and sensitivity analysis of key risks • Transformation Challenge 2025 (TC25) is embedded into the organisation. • Maintain General fund reserve of at least £2m	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			• Reorganisation that are unbudgeted for. • Uncertainty over total cost of preparing for LGR			• Regular review of reserves • Annual review of fees and charges • Monthly budget monitoring and regular HRA business plan updates • Substantial assurance opinion following internal audit of the council's financial stability (including TC25). • Cabinet approved MTFS on 19 November 2025 setting a balanced budget to the end of 2027/28	
CR008	Availability of new homes to meet the strategic need via a variety of means (build or buy).	Strategic Director S Hendey	• Increasing demand for new houses • High cost of housing, including private rented sector • Unable to identify new sites for new houses • Increasing infrastructure demands on new sites • Higher build costs • Increasing inflation and interest rates affecting supply	• Increased housing waiting list numbers • Increasing homelessness • Difficulty accessing housing markets • Outward migration of younger residents • Adverse publicity • Government intervention • Ability to meet the business plan target which will have a negative effect on income		• A variety of plans in place to deliver new homes • Regular monitoring of projects • Revised Housing Strategy and HRA Business Plan • Cost benchmarking	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
CR009	Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss	Director of Finance L Keys	• Malicious attack by Hackers for financial gain • Malicious attack by Hackers to disrupt business and ability to deliver services • Viral code attack in order to data mine information and identities	• Possible complete shutdown of Council IT Systems and Infrastructure • Business\service delivery disruption • Significant Financial loss • Credibility and confidence lost in engaging with digital services and e-payments		• Mandatory Cyber Security awareness training held for all staff • IT Systems and processes administered to PSN (Public Services Network) standards and protocols • ITILv3 Methodology adoption for ITSM • Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network Access Policies • Operational daily checks and proactive monitoring of Firewalls and pattern updates • Staff qualified in Cyber Scheme Professional standards and within GOV UK CESG guidelines • Regular system health checks and vulnerability scans • System and software maintained to supported levels.	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						• Email security managed by accredited 3rd party • Insurance for potential losses of a cyber attack • Third party review jointly with TVBC being undertaken to see what further actions the councils can pro-actively take to mitigate this risk further	
R010	Failure to effectively respond to the Climate Change Emergency and reduce the council and district carbon emissions	Chief Executive	• Failure to achieve target for the council to be carbon neutral by 2024 and the district by 2030 • Carbon emissions increase • Air quality drops • Insufficient project capacity in-house	• Reputational damage for failing to meet targets • Increased risk of flooding - damage to property, disruption to business, health, and wellbeing of displaced residents • Increased risk of droughts - pressure on river system health, depleted aquifer/reservoir volumes, negative impact upon agriculture, fire risk • Extreme heat and cold - health risk for vulnerable people, pressure on emergency and health services • Protests by lobby groups • House price volatility		• Revised CNAP plan put in place 13/09/2023 • Actions leading towards carbon reduction are clearer in theme and size of reduction needed. • Climate Emergency declared in 2019 • Asset Management Strategy • £45mil HRA • Council named 'Top Performing' district council for Climate Change	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Chief Executive	• Failure to prepare for an adverse weather event, for example long period of rain, heavy snow, or heatwave • Failure to manage sluice gates and maintain rivers • Failure to have plans in place to respond and recover to an adverse weather event	• Flooding causing damage to property and assets • Loss of income to the council e.g. closed car parks due to snow • Adverse publicity • Damage to reputation		• Multiagency Emergency Response Plan in place, reviewed and updated annually • Emergency Planning exercise to test the Plan held annually with partners participating • Completion of flood alleviation schemes • Temporary flood defence barrier purchased and available to be deployed where there is a need • The Emerging Local Plan has clear objectives to support the council priority of Tackling the climate emergency and creating a greener district • Annual review of Flood Action Plan which includes contact details of parish flood coordinators last undertaken in November 2025	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						• Gold and Silver commander training attended or to be by relevant officers at that level. • Extreme Weather Plan in place • HOIW LRF Multi-agency Flood Plan in place • LRF Community Resilience workstream	

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AG184
AUDIT & GOVERNANCE COMMITTEE

REPORT TITLE: LOCAL CODE OF CORPORATE GOVERNANCE 2026/27

5 MARCH 2026

REPORT OF CABINET MEMBER: CLLR BECKER – CABINET MEMBER FOR HEALTHY COMMUNITIES

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 approve the Local Code of Corporate Governance 2026 as set out in Appendix 1.

IMPLICATIONS:

1   COUNCIL PLAN OUTCOME

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

There are no direct financial implications.

3   LEGAL AND PROCUREMENT IMPLICATIONS

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.

In May 2025 CIPFA issued an addendum to the guidance covering the annual review of governance and the annual governance statement. This report forms part of the annual review of governance arrangements and set out in Appendix 2.

4   WORKFORCE IMPLICATIONS

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

None.

6   CONSULTATION AND COMMUNICATION

Consultation on the content of the report has been undertaken with the members of the Executive Leadership Board (ELB).

7   ENVIRONMENTAL CONSIDERATIONS

None required.

8   PUBLIC SECTOR EQUALITY DUTY

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

None.

10   RISK MANAGEMENT

Risk	Mitigation	Opportunities
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	n/a	n/a

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   In May 2025, CIPFA published "Delivering Good Governance in Local Government: addendum" which covers both the annual review of governance (to support the Local Code) and the annual governance statement. The

Addendum supplements the CIPFA/SOLACE Delivering Good Governance Framework (2016) and applied to UK local government statements from 2025/26 onwards.

11.5   A key element of the Addendum is that authorities should review the effectiveness of their governance each year, to fulfil the requirements of both the regulations applicable to their authority and the Code of Practice on Local Authority Accounting in the United Kingdom.

11.6   CIPFA and SOLACE recommend that authorities adopt a local code of governance which sets out their governance arrangements showing how governance principles are put into practice at their authority.

11.7   The local code should include details of arrangements that address areas that are core to good governance. These arrangements are essential for a corporate culture focussed on achieving objectives, managing risk and fulfilling stewardship and statutory responsibilities, including best value.

11.8   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

11.9   In preparing this report and preparing the 2026/27 Code of Corporate Governance, a review of governance arrangements against the seven Code principles has been completed.

11.10 Appendix 2 of this Code identifies the key documents and processes that are in place and the annual governance statement will set out whether and how effectively we are doing against them. In that statement we will consider and report the extent to which we are complying with the Corporate Governance core principles set out in the CIPFA Addendum.

11.11 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.

11.12 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 2026 as set out in Appendix 1 of this report.

11.13 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.

11.14 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.

11.15 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.

11.16 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 2026.

11.17 Following review, since last year's report, in Appendix 2 minor updates have been made including the following:

Addition of the reference to the addendum to guidance published by CIPFA and SOLACE in May 2025 which replaced Chapter 7 of the original Delivering Good Governance Framework publication.

- Principle 1 – has been updated to include the following:

  o reference to parish councillor when dealing with complaints that allege a breach of the Code of Conduct,

  o Upholding ethical standards by regularly reporting to Audit & Governance Committee dispensations granted to City Councillors

- o Updated the paragraph relating to procurement to reflect the introduction of the Procurement Act 2023

- Principle 2 – updated to refer to the Listening and Learning priority in the Council Plan 2025-30.

- Principle 3 – removal of the Performance Panel in relation to quarterly performance reporting. Added service plans in place of business plans for consistency...Added reference to the adoption of the Cultural Strategy.

- Principle 4 – added reference to implementation of a housing service improvement plan to address the issues identified as part of the self-referral to the Regulator of Social Housing.

- Principle 5 – updated to include reference to the creation of a governance structure for Local Government Reorganisation Programme.

- Principle 6 – updated to include reference to the adopted HRA housing repair and maintenance compliance policies and procedures to comply with the Regulator of Social Housing consumer standards.

- Principle 7 – no changes.

12   OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG152 Local Code of Corporate Governance, 9 January 2025

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 2026

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. The Code has also been informed by the addendum to the guidance published by CIPFA and SOLACE in May 2025 which replaced Chapter 7 of the original Framework publication.

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: -

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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

<u>Respecting the rule of the law</u>

- 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 can 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)

<u>Robust internal control</u>

- 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

<u>Managing data</u>

- 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

<u>Strong public financial management</u>

- 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	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). Good conduct and shared values are underpinned by: • Members' Code of Conduct (Constitution Part 5.1) • Employee Code of Conduct • Protocol on member / officer relations (Constitution Part 5.2) • Gifts and hospitality register • Register of Interests Implemented from 1 January 2025 the new Councillor Code of Conduct Developed and promotes a culture of behaviour based on shared values and high ethical principles and good conduct.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	Provides a comprehensive induction programme for all new employees and councillors informed by the cultural values of the organisation.
	Has in place approved arrangements for dealing with complaints that allege a city councillor or parish councillor has breached the code of conduct (Constitution Part 5.3).
	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.
	Is able to monitor and investigate officer behaviour through its corporate practices and Disciplinary Procedure.
	Protects individuals making complaints through Anti-Fraud and Corruption and Whistleblowing policy.
	Manages an updated member register of interests and publishes this on the council's website.
	Maintains a register of gifts and hospitality to safeguard both members and officers against conflicts of interest and is regularly reported to Audit & Governance Committee.
	Has an audit committee with overall responsibility for governance and audit functions.
	Upholding ethical standards by regularly reporting to Audit & Governance Committee dispensations granted to City Councillors.
	Clearly defined roles and responsibilities between the Head of Paid Service, S151 Officer, and Monitoring Officer.
	Implements a Data Management policy if there's a breach and clear responsible officer.
	Complies with the formal tender procedures regulated by the Procurement Act 2023 Public Contract Regulations 2015 for the new procurement ing of goods, works and services

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	(Procurement & Contract Management Strategy 2020 – 2025). This strategy is based around the guiding principles of value, compliance, environment and social, and fairness.

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
Openness	The council's constitution sets out how the Council operates, how decisions are made and the procedures and codes of conduct that are followed.
Engaging comprehensively with institutional stakeholders	Public records (e.g. committee reports) provide clear reasoning and evidence for decision making and are clear about the criteria and rationale used.
	Publishes FOI requests and their response on its website.
Engaging with individual citizens and service users effectively	Council plan commitment to Listening and Learning Better highlights the value of using both formal and informal consultation and engagement techniques across all residents and stakeholders, including under-represented groups to inform decision making.
	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.
	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. Tenant Satisfaction Survey results published on website to demonstrate tangible actions as a result of formal consultation.
	Guidelines to allow public participation in committee meetings available on website along with calendar of upcoming meetings and option to view livestreams via YouTube.
	Developing formal and informal partnerships to allow for resources to be used effectively and outcomes achieved efficiently, ensuring that partnerships are based on: • Trust

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	• A shared commitment to change • A culture that promotes the value added from partnership arrangements Committee decision reports provide clear reasoning and evidence for decisions and how they support the priorities set out in the council plan. Decisions the council makes are supported by evidence base outlined in documents such as Equality Impact Assessment.

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
Defining outcomes Sustainable economic, social and environmental benefits	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 before Cabinet. Annual departmental ~~business~~ service plans provide the detail on how the activities the council will undertake to ~~will~~ deliver the priorities in the Council Plan. 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. 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. 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. 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.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	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.
	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.
	Undertakes Equality Impact Assessments where appropriate and proportionate to identify how the needs of particular vulnerable groups have been considered to inform decision making.
	Ensures that that sustainability of the environment is at the heart of all decision making within the council.
	Medium Term Financial Strategy (MTFS) sets out the financial outcome for the council.
	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.
	Adoption of a Green Economic Development Strategy (GEDS) that provides the framework and overall direction to influence the development of the district's economy.
	Adopted a Cultural Strategy that sets out a shared vision for the cultural development of the Winchester District until 2030.

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
Determining interventions Planning interventions Optimising the achievement of intended outcomes	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.
	Requires annual business plans to be aligned with Council Plan priorities.
	Performance is reported to and monitored by the Executive Leadership Board, cabinet and scrutinised by The Scrutiny Committee.
	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.
	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.
	Has a project management framework in place, including business case development that is approved before a project can commence.
	Approved risk management framework in place to ensure that risk management is embedded into the culture of the council.
	Implements the requirements of the financial management code to support sound practice in financial management and demonstrate financial resilience and sustainability.
	Ensures that bids for external funding comply with the financial regulations and meet council priorities.
	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.
	Implemented a housing service improvement plan to address the issues identified as part of the self-referral to the Regulator of Social Housing

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
Developing the council's capacity Developing the capacity of the entity's leadership and other individuals	Comprehensive member induction training programme. Staff learning and development plans updated annually and dedicated corporate employee training budget supported by corporate Learning and Development Policy. 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. Operates a robust recruitment and selection process and Capability Policy and Procedure. 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: • Adopted and rolled out Flexible Working Policy across the organisation. • Comprehensive Employee Wellbeing Policy

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	• 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.
	Clearly sets out roles and responsibilities of the Leader and Chief Executive within the constitution.
	Undertook a LGA led Corporate Peer Challenge in July 2024
	Clearly sets out roles and responsibilities of senior members of staff and statutory officers in the constitution, including role descriptions and job specifications.
	Has a Scheme of Delegation to Officers in the constitution (Part 3.4).
	Requires members of the planning and licensing committees to undergo mandatory training prior to sitting on these committees.
	Regular senior managers' meeting, all managers' meeting and all staff briefings.
	Refreshed its Public Sector Equality ~~Duty~~ Framework (adopted in ~~January~~ March 202~~2~~5) and ~~established~~ adopted four equality objectives that exist to make the organisation fairer, stronger and more inclusive.
	Created a governance structure for Local Government Reorganisation Programme to provide oversight, political leadership and operational coordination and delivery.

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
Managing Risk Managing Performance Robust internal control Managing Data Strong public financial management	**Risk Management Policy** 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. **Business Continuity Framework** Business continuity plans are in place for business-critical services and reviewed and updated annually. Cyber security awareness training for all staff and members and dedicated cyber exercise undertaken to test the council's response. **Quarterly Performance reports** 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. 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. **Internal audit service** 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 & Governance Committee Audit and Governance Committee which can report to full council if it considers necessary. **Updated and adopted Retention and Disposal Policy and schedule** Ensures that the council manages its data and information and not retained for longer than is required. **Anti-fraud, corruption and whistleblowing policy**

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	Anti-bribery policy
	Financial Management Through the S151 Officer, members are advised on the robustness of estimates and the adequacy of reserves set within the budget process.
	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.
	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.
	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.
	Has in place Financial and Contract Procedure Rules.
	Has robust arrangements in place for: • Managing data • Training staff and members in relation to information governance • Ensuring data security breaches are reported and dealt with appropriately as set out in the Information Security Policy • Ensuring appropriate information sharing agreements are in place.
	Has in place measures to respond to GDPR and Data Protection Act requirements, including a Data Protection Officer.
	Quarterly risk management reporting to Audit & Governance committee
	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.
	Has a project management framework with full business case development.
	External Audit of accounts and value for money opinion

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	S151 officer appointed and in post. Quarterly Finance & Performance Monitoring report Adopted HRA housing repair and maintenance compliance policies and procedures to comply with the Regulator of Social Housing consumer standards.

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

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
Implement good practice in transparency Assurance and effective accountability Managing data Strong public financial management	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. Has in place measures to respond to the GDPR and Data Protection Act requirements, including appointing a Data Protection Officer. 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 Operates under executive arrangements with an established overview and scrutiny committee. Adopts a presumption of openness and transparency and publishes key decisions on the council website. 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. 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.

CIPFA/SOLACE supporting principles	Evidence that the council complies with these requirements
	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.
	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.
	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.
	The Chief Executive is responsible and accountable for all aspects of operational management.
	Records in the minutes of the proceedings of a "budget decision meeting" of council the names of the members who voted or abstained.

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AG182
AUDIT AND GOVERNANCE COMMITTEE

REPORT TITLE: Q3 GOVERNANCE MONITORING

5 MARCH 2026

REPORT OF CABINET MEMBER: CLLR BECKER – CABINET MEMBER FOR HEALTHY COMMUNITIES

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

WARD(S): ALL

PURPOSE

To provide members of the Audit and Governance Committee with a summary overview of the key issues in respect of governance during the third quarter of the 2025/26 financial year.

RECOMMENDATIONS:

1. That the Audit and Governance Committee note the contents of the report, including the progress made against the actions in the Annual Governance Statement. The Committee is requested to raise any issues or concerns on the content of the report with the Cabinet Member.

2. That the Director of Legal, under delegated authority adopt the updated draft Terms of Reference for the Audit and Governance Committee, as set out in Appendix 4 of the report. The amended terms of reference will be included in Article 9 of the Council's constitution and the changes reported to Full Council later this year for noting in accordance with Article 15.

IMPLICATIONS:

1   COUNCIL PLAN OUTCOME

This summary document supports the council to be open and transparent by reporting the effectiveness of its governance framework and highlighting areas of weakness or issues of concern.

2   FINANCIAL IMPLICATIONS

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

3   LEGAL AND PROCUREMENT IMPLICATIONS

There are no legal or procurement implications arising from the content of this report.

4   WORKFORCE IMPLICATIONS

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

5   PROPERTY AND ASSET IMPLICATIONS

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

6   CONSULTATION AND COMMUNICATION

Consultation on the content of this report has been carried out with the Deputy Leader and Cabinet Member for Finance and Transformation, the Cabinet Member for Healthy Communities as well as members of the Executive Leadership Board (ELB) and Corporate Heads of Service (CHoS).

Additionally, officers have provided updates on the progress made against their actions included in internal audit reports and referred to in this report.

7   ENVIRONMENTAL CONSIDERATIONS

There are no environmental considerations arising from the content of this report

8   PUBLIC SECTOR EQUALITY DUTY

There are no Public Sector Equality Duties arising from the content of this report. However, officers will need to consider the council's Public Sector Equality Duty and, if required, complete an Equality Impact Assessment on any specific recommendations or future decisions to be made. This report is for noting and raising issues only and does not make any decisions

9   DATA PROTECTION IMPACT ASSESSMENT

There are no data protection impact assessments required.

10   RISK MANAGEMENT

This report provides a summary update on the council's performance against the governance arrangements outlined in the Risk Management Policy 2025/26 and the Local Code of Corporate Governance.

Independent assurance from the council's internal and external auditors identifies weaknesses in the council's governance arrangements and supports the assessment of the adequacy of measures in place to manage the council's risks.

11   SUPPORTING INFORMATION:

11.1   This report provides summary information regarding governance for the third quarter of the 2025/26 financial year.

Internal Audit

11.2   As required by the Global Internal Audit Standards in the UK Public Sector, the monitoring of progress against the Internal Audit Plan 2025/26, as well as the implementation and completion of management actions arising from finalised internal audit reports—previously reported within this Governance Monitoring report—is now incorporated into a separate quarterly Internal Audit Progress report. For the third quarter this was reported to the meeting of this committee on 29 January (report AG180 refers).

11.3   The Internal Audit Progress Report provides an overview of audit activity and assurance work undertaken to evaluate the effectiveness of the Council's risk management, control, and governance processes.

11.4   During the quarter there were four completed audit reviews from the approved Audit Plan and final reports issued. The review of Council Tax administration resulted in a **Substantial assurance opinion**, reflecting a sound system of governance, risk management and controls in place and consistently applied by the team.

11.5   The following audit reviews concluded with reasonable opinion:

- Accounts Payable

- IT Networking and Communications – Software Patch Management

- Housing Asset Management – Retrofit Programme.

Each of these reviews found that the structures, processes and procedures provided evidence that generally a sound system of governance, risk management and control was in place.

Areas of improvement were observed and actions to address these were agreed before the audit reports were finalised.

Annual Governance Statement

11.6 Progress against the actions included in the 2024/25 Annual Governance Statement is provided in Appendix 1 of this report.

Declarations of gifts and hospitality

11.7 During the period 1 October 2025 to 31 December 2025, there were five declarations of gifts and hospitality made by officers in accordance with the Employee Code of Conduct.

11.8 Members regularly update their register of interest forms. During the period from 1 October 2025 to 31 December 2025, there were no declarations of gifts or hospitality over the value of £50 made by members in accordance with the Members Code of Conduct.

Risk Management

11.9 The council's Risk Management Policy 2025/26 sets out a timetable for this committee to review the policy and corporate risks (section 11 of the Risk Management Policy). The latest quarterly review by Executive Leadership Board (ELB) of the Corporate Risk Register was carried out on 4 February 2026. All corporate risks and their current controls were reviewed with the current Corporate Risk Register shown at Appendix 3.

11.10 During the review, ELB considered the rapidly emerging risks (and opportunities) arising from the Devolution agenda and Local Government Reorganisation (LGR) timetable. It was agreed that the risks arising from LGR would continue to be captured as a cause that might impact existing corporate risks, specifically CR001 and CR007. ELB noted that until the announcement by government in the Spring, it was too early to fully understand the extent of the risks. In response to the evolving nature of these issues, the council continues to closely monitor developments, ensuring that any emerging risks or opportunities are promptly identified. A comprehensive risk management strategy specifically addressing devolution and LGR has been developed and regularly reviewed ensuring that the council remains well-prepared to manage any potential changes and their impact on governance, service delivery, and resources.

11.11 As a result of the ELB quarterly review there were the following updates:

- CR001 – Capacity to deliver services – the controls to manage this risk were updated to include the reference to close monitoring of the impacts of LGR on council capacity and delivery of services and reflected in service plans covering the period 2026 – 2028.

- CR004 – Failure to have in plans and processes – updated to record that the annual programme to review and test business continuity plans is in place for 2026.

- CR007 – Ability to achieve a balanced budget – the causes were updated to include the specific reference to the uncertainty over the total cost for preparing for LGR and that additional LGR costs may be unbudgeted for. A further update has been added to the current controls that references approval by Cabinet on 19 November of the MTFS setting a balanced budget to the end of 2027/28.

- CR011 – Lack of preparedness and incapability to respond to events caused by climate change – the current controls were updated to show that the annual review of the council's Flood Action Plan had been completed in November, including a review and update of the contact details of the parish flood coordinators across the district.

11.12 Other than the updates set out above, the original and residual risk ratings of all risks were considered appropriate and tolerable. The causes, consequences and controls for each risk were reviewed and deemed to be current and sufficient at the time of the review.

11.13 ELB continues to monitor the potential impacts to existing risks and any new or emerging risks that might require inclusion on the Corporate Risk Register.

11.14 At the same time as the review of Corporate Risks, ELB considers the risks included on the Operational Risk Register with a particular focus on the risks with a residual risk score was rated as being in the red area of the risk matrix. ELB agreed that the current controls were sufficient to mitigate the risks and that the residual risk score was correct. ELB agreed that these risks did not require escalation to the Corporate Risk Register at this time.

12 *Code of Conduct Complaints*

12.1 The Audit and Governance Committee has two sub-committees, including the Standards Sub-Committee, whose purpose is to consider investigation reports in respect of Code of Conduct Complaints referred to it by the Monitoring Officer.

12.2 Appendix 2 provides brief details of the Code of Conduct complaints received, in progress, and closed, as well as enquiries made to the Office of the Monitoring Officer.

13 *Dispensation Requests*

13.1 At the Audit and Governance Committee meeting on 25 February 2025, members requested that the Monitoring Officer provide a quarterly update to the committee, detailing all dispensations granted or refused during the quarter.

13.2 During the period from 1 October 2025 to 31 December 2025, there were no individual dispensations granted by the Monitoring Officer.

14 *External Quality Assessment*

14.1 The Global Internal Audit Standards in the UK require that the Chief Internal Auditor must develop a plan for an external quality assessment and discuss the plan with the Audit Committee. The external audit assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external assessment may also be met through a self-assessment with independent. The standards are applicable from 1 April 2025.

14.2 In local government, the CIPFA Code of Practice for the Governance Internal Audit in UK Local Government (CIPFA Code) applies to address the 'essential conditions' for the governance of internal audit set out in Domain III of the standards. The Code concerns the roles of senior management and the audit committee regarding internal audit. External Quality Assessments (EQAs) under the 2025 standards must also consider the governance of internal audit, which for local government is set out in the CIPFA Code.

14.2 The assessment against the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government seeks to serve two purposes:

- To provide evidence of compliance with Domain III of the GIAS in the UK Public Sector to support the conclusion of individual principal authorities as part of the Southern Internal Audit Partnerships external quality assessment 2025

- To provide evidence for the Council to support their assertion in their Annual Governance Statement 2025/26 *that 'Internal audit arrangements are in conformance with the Global Internal Audit Standards in the UK public sector (GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit.' a*s required in the recently published Delivering Good Governance in Local Government: Framework – Addendum, covering the annual review of governance and the annual governance statement

14.3 Arising from the assessment, there are two requirements where the council's existing arrangements achieve partial compliance. To achieve full compliance, the council is recommended to review and update the Terms of Reference for the Audit and Governance Committee in accordance with the CIPFA model terms of reference for an Audit Committee and produce an annual report on the Committee's activities.

14.4 Appendix 4 provides the current Terms of Reference for this Committee (as set out in Article 9 of the Council's constitution), with recommended additions shown in bold and underlined. The recommendation is to adopt the CIPFA model terms of reference in full, with additions to include the specific responsibilities at Winchester. The primary differences to the council's existing terms of reference are:

- To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and

effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions

- To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

- To publish an annual report on the work of the committee, including a conclusion on the compliance with the CIPFA Position Statement.

14.5   By adopting the updated Terms of Reference, for which the Director Legal has delegated authority, and produce an annual report on the Committee's activities, the council will achieve full compliance with the Code of Practice for the Governance of Internal Audit in UK Local Government.

14.6   The terms of reference for Audit & Governance Committee are set out in Article 9 of the Council's constitution and if agreed, the changes will be reported to Full Council later this year for noting in accordance with Article 15.

15   OTHER OPTIONS CONSIDERED AND REJECTED

15.2   None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG171 Governance Monitoring Quarterly Update Q1 and Q2 2025/26 37 November 2025

Other Background Documents:-

None.

APPENDICES:

Appendix 1 - Annual Governance Statement 2024/25 – Action plan update

Appendix 2 - Code of Conduct complaints

Appendix 3 - Corporate Risk Register

Appendix 4 – Amended Terms of reference

Appendix 5 – CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government

Annual Governance Statement 2024/25 – Action Plan update – December 2025

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
1.	**Landlord Health and Safety Compliance –** to ensure that our responsibilities under the consumer standard for Safety and Quality are being met, specifically in relation to regulatory compliance for gas, electrical, asbestos, fire, water, and lift safety.	Establish an appropriate Governance and assurance structure	To enable oversight of performance against the Big 6, KPI information is provided at a corporate level; the compliance scorecard is reviewed, signed off and scrutinised by Housing DMT; it is then scrutinised by TACT Board for further oversight.	Simon Hendey Gillian Knight	Feb 2025	Complete. Reporting of these KPIs is included in the quarterly Finance and Performance report, considered by Scrutiny and Cabinet.
		Undertake a data validation exercise across our asset data, compliance areas and inspection records	A monthly compliance scorecard is in place reporting across all areas of compliance and data validation continues on a monthly basis. This work will be supported by the implementation of the 'True Compliance' system.	Adrian Wilgoss Sarah Hobbs Heather Gibson	Sept 2025	Complete

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
			Feedback from regular meetings with the Regulator for Social Housing (RSH) is positive as we evidence our improvement journey delivering against the 'Big 6.'			
		Compliance reporting review	Compliance reporting is produced monthly, via the scorecard. Going forwards, the 'True Compliance' system will enable this data and related reporting to be produced automatically. Through the landlord service restructure, and the creation of one centralised data team, will enable internal data assurance interrogation and monitoring.	Adrian Wilgoss	June 2025	Complete. Reporting to TACT Board, Cabinet member, Scrutiny and Cabinet via a highlight report is also reported quarterly.
		Undertake a policy principle and strategic direction workshop for each compliance area and	The review of the 'Big 6' compliance policies (gas, electrical, water, asbestos, lift and fire safety) working with a sector specialist and tenants is complete and these were presented to	Sarah Hobbs Adrian Wilgoss	Sept 2025	Complete A review frequency is in place and updated policies

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
		develop and finalise each policy	Cabinet Committee Housing on 4 November 2025 These will then be disseminated across the service through the new policy assurance framework.			considered and adopted by future Cabinet Committee – Housing.
		Review and update our procedures	Cabinet Housing Committee on 4 November adopted updated policies covering the 'Big 6' including (gas, electrical, water, asbestos, lift and fire safety). Work is ongoing to review and update other housing procedures and policies.	Adrian Wilgoss	June 2026	In progress.
2.	**Local Government Reorganisation -** **c**apacity to deliver services to our residents and customers while working collaboratively with our local authority partners to deliver local government reorganisation at pace	Establish an appropriate governance structure and clearly define the programme scope, including emerging workstreams and designated lead officers.	Post April governance structure drafted to be agreed once partner local authorities are confirmed. Preparatory activities underway, working with KPMG to initiate 10 LGR workstreams across partners, who meet weekly and report to the LGR Rep Group.	Liz Keys	June 2025	Ongoing

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
		Prepare for change with the council organising itself to achieve as much as possible and ensures that staff, services and assets that are being transferred are in the best possible position to be integrated into the new authority.	The LGR Transition Plan to be unitary ready focusses on delivery of council priorities over the next two years, ensuring service stability and driving continuous improvement building on the success of our transformation plan. Preparation of our systems, processes and services for a smooth transition and continuing our digital transformation journey. Developing and supporting colleagues, so we're in the best position and confident to thrive in change.	Liz Keys	Ongoing	Ongoing

<u>Code of Conduct Complaints</u>

As of 5 January 2026, this update includes Code of Conduct complaints received by the Office of the Monitoring Officer since the previous meeting of the Audit & Governance Committee, along with updates on complaints previously reported.

Summary of current caseload:

A. Number **Active Individual Complaints**: 0 complaints from 0 individual complainants (see current status/update below).

B. Number Complaints **Not Commenced**: 0

C. Number **individual complaints** relating to a City Councillor: 0.

D. Number **individual complaints** relating to a Parish/Town Councillor: 0.

E. Number of complaints received since last report: 0.

F. Number of **complaints closed** since the last report: 0.

G. Number of **Standards Sub Committees** held: 0.

Analysis of recent active case:

Date received	Relating to Parish/ Town/ City Councillor	Current status/update	Approx time spent on this complaint
29/10/2025	Parish	Response to complaint received from the Subject Member along with the Independent Person's recommendation for resolution via the Informal Resolution procedure. The MO reviewed the complaint and recommendation. Subsequently, the Subject Member resigned from the Parish Council, and complaint was therefore closed.	28 hours

Corporate Risk Register 2026/27

Winchester City Council

As of 4 February 2026

Residual Risk Summary:

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	• Ambitious council plan with multiple strands of activity • Staff resources are lean, and teams are working at capacity to deliver services at current levels of demand • Outbreak of a pandemic that increases the pressure to continue to provide critical services as well as respond to the needs of residents and businesses	• If decision making is slow, delays occur, and potentially available resources are redeployed or become unavailable if they are externally sourced • Implementation of business continuity plan to target work in critical areas in cases of staff shortage • If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities		• Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place • Critical activities are reviewed with Cabinet alongside a refreshed Council Plan approved in January'23 • Proactive approach to communications internal and external • 50/50 hybrid working policy agreed	

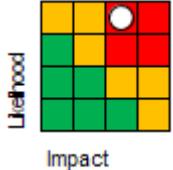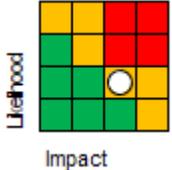| Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			affected by the pandemic • Competition from the private sector for key staff roles e.g. planning, project management • Decision making can be slow • Tension between day-to-day and strategic priorities • Key skills not in the right place • Budget uncertainty • Preparing for Local Government Reorganisation	• If staff are diverted, then can't deliver on other lower-level priorities or day-to-day work • Reputation is damaged as the council is not seen to be able to deliver projects • Local members are not always kept informed of activity in their area • Unable to deliver key council services		• Maintaining communication • Annual business planning, with actions and projects aligned to Council Plan priorities • Regular meetings with relevant cabinet members • Positive use of fixed term contracts to aid flexible resourcing • Targeted use of external resource • Reallocation of human and financial resources across and within the organisation as required • PAC Board regularly reviews resources available to deliver projects • Substantial assurance opinion following internal audit review of corporate planning and performance monitoring. • Close monitoring of the impacts of LGR on council capacity	

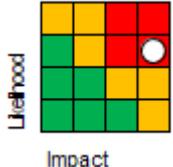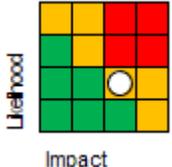| Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						and delivery of services and reflected in future service plans	
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change or procedural errors	Monitoring Officer G John	• Lack of skill and/or time to identify evidence to support decision making • Lack of consultation with ward members and/ or parish councils over local issues • Procedural error in statutory process • Inconsistent and traditional approach to customer engagement across the council • Lack of awareness of the questions to ask • Lack of awareness of the 'right time' to engage • Lack of public awareness of the opportunity to engage • Council is not aware of the full range of interested stakeholders • Council may only hear the loudest voices and not the silent majority or those that do not readily engage	• Lack of a robust and evidence-based approach to customer engagement can lead to: - Reputational damage - Views that the council is too Winchester-centric - Decisions made are Inequitable - A perception that people's views are ignored • Ward members and/or parish council's not being informed • Legal/ judicial review or challenge against a decision made		• Engagement with ward and parish councillors (on matters within their ward or parish) encouraged • Risks with regard to significant projects are recognised and addressed separately via robust Project Management and regular reports to the Programme and Capital Strategy Board • Legal and Monitoring Officer consultation on decisions made • 2024 Residents' survey commissioned and will be undertaken in June'24 and results will be used to evidence decision making • A proactive open and transparent approach to communication based on Gunning Principles	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						• Use of external specialist advice when appropriate • Commitment made in the refreshed Council Plan in terms of 'Listening Better' • Equality, Diversity, and Inclusion Action Plan is being embedded across the organisation • Updated Constitution adopted at Council on 30 November 2023 • Where possible and appropriate, digitalisation will be utilised to mitigate against procedural errors • Substantial assurance opinion following internal audit review of decision making	
CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has a significant impact on the ability of the Council to provide its services	Chief Executive	• Not maintaining an effective corporate wide Business Continuity Plan • Not regularly testing the plan and following-up learning • Key staff unavailable	• Unacceptable delay and uncertainty in returning to normal working after an emergency • Adverse publicity and criticism • Reputation damage • Adverse social and/or economic impact		• Business Continuity Plans reviewed and tested in 2024 and approved by ELB • IT Disaster Recovery Plan exercise held on 20 March • Business critical services reviewed in	

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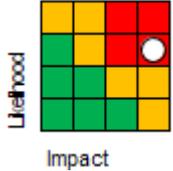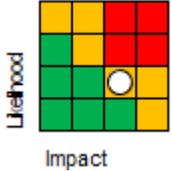| Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			• Communication systems ineffective • Lack of awareness of Business Continuity Plan • Failure to assess business critical functions and have plans in place			2025 with individual business continuity plans created, and approved • All staff able to seamlessly work from home, where job allows • 2023 internal audit review of business continuity offered substantial opinion and no identified weaknesses. • Work programme in place for 2026 to review, update and test plans	
R006	Breakdown of effective partnership working	Chief Executive	• Partnerships can falter due to lack of shared vision within partnerships • Money spent on Partnership working doesn't add value • Strategic partnerships may falter due to conflicting demands within individual partners • Incorrect application of the procurement regulations due to a misunderstanding as to how and when they	• Significant project delivery such as the major projects and the new homes building programme could fail due to failure of strategic partnerships • Local delivery could fail if local strategic partners are not aligned • Reputational damage to all partners • Lack of value for money (VfM)		• Annual review by each CHoS of all partnerships undertaken to identify key strategic partners • Partnership register established and endorsed by ELB on 6 March. • Guidance documents available from Knowledge Hub • Partnership Governance and Management Framework adopted.	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			apply to partnership working • Partnerships may be unsuccessfully commissioned due to lack of skills and poor scoping • Significant local, regional, or national partners may close down, affecting the council			• Partnership scoring tool available to assess project tier • Management checklist available from Knowledge Hub	
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget (General Fund and HRA)	Director of Finance L Keys	• Reduced Government funding • Reliance on strategic partners to deliver services and projects • Macro economy, including effects of Brexit, reduces locally generated Business Rates and parking income • Failure to achieve income targets • Inflation rises • Penalties are imposed on the Council due to falling standards in services • Impact of a Pandemic • Additional financial costs preparing for Local Government	• Unable to balance the budget • Increased Council Tax • Public's ability to pay for services • Reduce services provided • Demand/cost of services • Increased construction costs and impact on delivery and viability of key projects • Over borrowing and avoidable cost		• One year funding settlement in place • MTFS approach setting out medium and longer term options • Quarterly finance reporting and monitoring of key income sources • Regular policy review and monitoring • Scenario planning and sensitivity analysis of key risks • Transformation Challenge 2025 (TC25) is embedded into the organisation. • Maintain General fund reserve of at least £2m	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
			Reorganisation that are unbudgeted for. • Uncertainty over total cost of preparing for LGR			• Regular review of reserves • Annual review of fees and charges • Monthly budget monitoring and regular HRA business plan updates • Substantial assurance opinion following internal audit of the council's financial stability (including TC25). • Cabinet approved MTFS on 19 November 2025 setting a balanced budget to the end of 2027/28	
CR008	Availability of new homes to meet the strategic need via a variety of means (build or buy).	Strategic Director S Hendey	• Increasing demand for new houses • High cost of housing, including private rented sector • Unable to identify new sites for new houses • Increasing infrastructure demands on new sites • Higher build costs • Increasing inflation and interest rates affecting supply	• Increased housing waiting list numbers • Increasing homelessness • Difficulty accessing housing markets • Outward migration of younger residents • Adverse publicity • Government intervention • Ability to meet the business plan target which will have a negative effect on income		• A variety of plans in place to deliver new homes • Regular monitoring of projects • Revised Housing Strategy and HRA Business Plan • Cost benchmarking	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
CR009	Failure in cyber security leaving the council exposed to phishing and other attacks leading to compromised IT systems and data loss	Director of Finance L Keys	• Malicious attack by Hackers for financial gain • Malicious attack by Hackers to disrupt business and ability to deliver services • Viral code attack in order to data mine information and identities	• Possible complete shutdown of Council IT Systems and Infrastructure • Business\service delivery disruption • Significant Financial loss • Credibility and confidence lost in engaging with digital services and e-payments		• Mandatory Cyber Security awareness training held for all staff • IT Systems and processes administered to PSN (Public Services Network) standards and protocols • ITILv3 Methodology adoption for ITSM • Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network Access Policies • Operational daily checks and proactive monitoring of Firewalls and pattern updates • Staff qualified in Cyber Scheme Professional standards and within GOV UK CESG guidelines • Regular system health checks and vulnerability scans • System and software maintained to supported levels.	

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Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						• Email security managed by accredited 3rd party • Insurance for potential losses of a cyber attack • Third party review jointly with TVBC being undertaken to see what further actions the councils can pro-actively take to mitigate this risk further	
CR010	Failure to effectively respond to the Climate Change Emergency and reduce the council and district carbon emissions	Chief Executive	• Failure to achieve target for the council to be carbon neutral by 2024 and the district by 2030 • Carbon emissions increase • Air quality drops • Insufficient project capacity in-house	• Reputational damage for failing to meet targets • Increased risk of flooding - damage to property, disruption to business, health, and wellbeing of displaced residents • Increased risk of droughts - pressure on river system health, depleted aquifer/reservoir volumes, negative impact upon agriculture, fire risk • Extreme heat and cold - health risk for vulnerable people, pressure on emergency and health services • Protests by lobby groups • House price volatility		• Revised CNAP plan put in place 13/09/2023 • Actions leading towards carbon reduction are clearer in theme and size of reduction needed. • Climate Emergency declared in 2019 • Asset Management Strategy • £45mil HRA • Council named 'Top Performing' district council for Climate Change	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Chief Executive	• Failure to prepare for an adverse weather event, for example long period of rain, heavy snow, or heatwave • Failure to manage sluice gates and maintain rivers • Failure to have plans in place to respond and recover to an adverse weather event	• Flooding causing damage to property and assets • Loss of income to the council e.g. closed car parks due to snow • Adverse publicity • Damage to reputation		• Multiagency Emergency Response Plan in place, reviewed and updated annually • Emergency Planning exercise to test the Plan held annually with partners participating • Completion of flood alleviation schemes • Temporary flood defence barrier purchased and available to be deployed where there is a need • The Emerging Local Plan has clear objectives to support the council priority of Tackling the climate emergency and creating a greener district • Annual review of Flood Action Plan which includes contact details of parish flood coordinators last undertaken in November 2025	

Code	Risk Description	Risk Owner	What might go wrong? (cause)	What will happen? (consequence)	Original Risk Rating	Current Controls	Residual Risk
						• Gold and Silver commander training attended or to be by relevant officers at that level. • Extreme Weather Plan in place • HOIW LRF Multi-agency Flood Plan in place • LRF Community Resilience workstream	

Audit and Governance Committee Proposed Terms of Reference (as contained within the Council's Constitution, Article 9)

The Committee will have the following terms of reference relating audit functions, governance functions and human resources functions.

~~Audit functions~~Governance, risk and control

a   Act as the Council's Audit Committee for internal and external audit.

~~a~~b To review the council's corporate governance arrangements against the good governance framework, including the ethical framework, and consider the local code of governance

~~c~~   ~~Agree and oversee the Council's Internal Audit Plan and monitor progress against this Plan~~.

~~d~~   ~~Receive, and consider the work of the external auditor~~.

~~e~~   ~~Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted~~.

~~f~~   ~~Overview the Council's risk management arrangements to provide independent assurance of the adequacy of the risk management framework.~~

c   To monitor the effective development and operation of risk management in the council~~Seek assurance that action is being taken on risk-related issues identified by auditors and inspectors~~.

d   To monitor progress in addressing risk-related issues reported to the committee

e   To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.

f   To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's **Financial Management Code**.

g   To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

h   To review the assessment of fraud risks and potential harm to the council from fraud and corruption.

i   To monitor the counter fraud strategy, actions and resources.

j   To review the governance and assurance arrangements for significant partnerships or collaborations.

~~b~~k Promote and ensure training of Councillors and co-opted members in the relevant governance aspects.

cl   To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actionsApprove the Governance and Assurance Statements, Statement of Accounts and anti-fraud and anti-corruption arrangements.

dm To notify, report or recommend to Cabinet and Council as appropriate.

en Have continued due regard for all conduct and governance requirements that include the CIPFA (Chartered Institute of Public Finance and Accountancy) guidance.

o   To review, monitor and consider reports from the Section 151 Officer on Treasury management, functions and activities.

p   Grant dispensations, where referred by the Monitoring Officer and in accordance with the Localism Act 2011 or other legislation.

q   To monitor the use of dispensations.

fr   To appoint a Sub-Committee which will have delegated responsibility to consider investigation reports, in respect of Code of Conduct complaints, that are referred to it by the Monitoring Officer and conduct hearings into allegations that a Member or co-opted Member of the Council or Town/Parish Council has breached the relevant code of conduct

Governance functionsreporting

a.   To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.

b.   To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives Promote and maintain high standards of conduct by Councillors and any co-opted members.

Financial reporting

a.   To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met.

b.   To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.

c.   To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts

Arrangements for audit and assurance

To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.

External audit

a. To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.

b. To consider the external auditor's annual letter, relevant reports and the report to those charged with governance.

c. To consider specific reports as agreed with the external auditor.

d. To comment on the scope and depth of external audit work and to ensure it gives value for money.

e. To consider additional commissions of work from external audit.

f. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

g. To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee.

Internal audit

a. To approve the internal audit charter.

b. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

c. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

d. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

e. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

f. To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.

g. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:

– updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work

– regular reports on the results of the QAIP

– reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.

h. To consider the head of internal audit's annual report, including:

– the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)

– the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).

i. To consider summaries of specific internal audit reports as requested.

j. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

k. To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.

l. To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations

m. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Internal Audit

a. To approve the internal audit charter.

b. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

c. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

d. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

e. To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.

f. To consider any impairments to the independence or objectivity of the head of internal audit arising from additional roles or responsibilities outside of internal auditing and to approve and periodically review safeguards to limit such impairments.

g. To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:

– updates on the work of internal audit, including key findings, issues of concern and action in hand as a result of internal audit work

– regular reports on the results of the QAIP

– reports on instances where the internal audit function does not conform to the PSIAS and LGAN, considering whether the non-conformance is significant enough that it must be included in the AGS.

h. To consider the head of internal audit's annual report, including:

– the statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement (these will indicate the reliability of the conclusions of internal audit)

– the opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control, together with the summary of the work supporting the opinion (these will assist the committee in reviewing the AGS).

i. To consider summaries of specific internal audit reports as requested.

j. To receive reports outlining the action taken where the head of internal audit has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.

k. To contribute to the QAIP and in particular to the external quality assessment of internal audit that takes place at least once every five years.

l. To consider a report on the effectiveness of internal audit to support the AGS where required to do so by the accounts and audit regulations

m. To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

Accountability Arrangements

   a. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks, financial reporting arrangements and internal and external audit functions.

   b. To report to full council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

   c. To publish an annual report on the work of the committee, including a conclusion on the compliance with the **CIPFA Position Statement**

   a.d. To operate the overall scheme in respect of the local determination of Code of Conduct complaints against Council and Parish/Town Members (this role is largely delegated by the Constitution to a Standards Hearings Sub-Committee and the Monitoring Officer as set out in greater detail in the Constitution).

e. Approve and review relevant codes of conduct, protocols and other arrangements that relate to the governance of the council.

f. Promote and ensure training of Councillors and co-opted members in the relevant governance aspects.

g. Grant dispensations, where referred by the Monitoring Officer and in accordance with the Localism Act 2011 or other legislation.

h. To monitor the use of dispensations.

i. To appoint a Sub-Committee which will have delegated responsibility to consider investigation reports, in respect of Code of Conduct complaints, that are referred to it by the Monitoring Officer and conduct hearings into allegations that a Member or co-opted Member of the Council or Town/Parish Council has breached the relevant code of conduct.

b.e. To overview the Council's whistle blowing policy.

c.f. To review, monitor and consider reports from the Monitoring Officer.

Human Resource Functions

To receive and consider reports relating to workforce policies and related performance.

Where there is a specific requirement a Sub Committee can be appointed which shall deal with disciplinary matters relating to relevant officers.

Standards Sub-Committee Terms of Reference

a)   To consider investigation reports, in respect of Code of Conduct complaints, that are referred to it by the Monitoring Officer.

b)   To conduct a hearing into an allegation that a Member or co-opted Member of the Council or Town/Parish Council has breached the relevant code of conduct. At such hearing, the Member against whom a complaint has been made may respond to the investigation report.

c)   Following the hearing the Sub-Committee can make one of the following findings:

   i)   That the Member has not failed to comply with the Code of Conduct and no further action needs to be taken in respect of the matters considered at the hearing

   ii)   That the Member has failed to comply with the Code of Conduct but no further action needs to be taken in respect of the matters considered at the hearing; or

   iii)   That the Member has failed to comply with the Code of Conduct and a sanction and/or an informal resolution should be imposed.

d)   The Sub-Committee may impose any action or combination of actions available to it, or impose any informal resolution or combination of informal resolutions as are available to it either by law or policy.

e)   After making a finding the Sub-Committee shall, as soon as reasonably practicable, provide written notice of its findings and the reason for its decision to the Member and the complainant.

f)   To apply the Council's Standards Complaints Procedure and Complaints Standards Sub-Committee Procedure to hearings before the Sub-Committee.

Human Resource Sub-Committee terms of reference

The Human Resources Sub-Committee will be responsible for the Council's Human Resources function where not delegated under the Scheme of Delegation. This includes:

a)   All disciplinary matters relating to specified officers that are required to have Member or Committee involvement. This is elaborated in the Officer Employment Procedure Rules later in this Constitution.

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**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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

Winchester City Council (November 2025)

Overview

The GIAS, issued by the Institute of Internal Auditors, are applicable to local government in the UK public sector alongside the Application note: Global internal audit standards in the UK public sector. The standards are applicable from 1 April 2025.

In local government, the CIPFA Code of Practice for the Governance Internal Audit in UK Local Government (CIPFA Code) applies to address the 'essential conditions' for the governance of internal audit set out in Domain III of the standards. The Code concerns the roles of senior management and the audit committee regarding internal audit. External Quality Assessments **(**EQAs) under the 2025 standards must also consider the governance of internal audit, which for local government is set out in the CIPFA Code.

Where internal audit providers have more than one local government client, the governance arrangements for internal audit should be separately considered so that there can be a conclusion for each client.

Where the internal audit function has more than one client that is a principal local authority, then the assessor must be able to reach a conclusion on each local government client. This does not mean that a separate EQA is required for each authority, only that the EQA must be able to conclude individually for each principal local authority client.

Where the audit function applies a common approach to audit working practices for all their clients (e.g. engagement planning and conduct of audits), then the EQA assessor may sample across the client base to verify those aspects of the standards. Where the audit provider has a large client base, this may mean the conduct of audits at an authority may not be selected for sample testing. If the EQA assessor is satisfied that the provider adopts a common approach across the clients, then the authority can still be satisfied with the assessor's conclusion

The following assessment against the CIPFA Code seeks to serve two purposes:

- To provide evidence of compliance with Domain III of the GIAS in the UK Public Sector to support the conclusion of individual principal authorities as part of the Southern Internal Audit Partnerships external quality assessment 2025

- To provide evidence for the Council to support their assertion in their Annual Governance Statement 2025/26 *that 'Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector (GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit.'* As required in the recently published Delivering Good Governance in Local Government: Framework – Addendum, covering the annual review of governance and the annual governance statement.

CIPFA's Supporting Legislation / Guidance

Code of Practice for the Governance of Internal Audit in UK Local Government - CIPFA has developed the Code of Practice for the Governance of Internal Audit in UK Local Government (the Code) to support authorities in establishing their internal audit arrangements and providing oversight and support for internal audit. It is aimed at those responsible for ensuring effective governance arrangements for internal audit:

- The body or individual charged with governance – this includes the police and crime commissioner and chief constable (corporations sole) in policing or full body of the authority.
- The audit committee, the primary committee that may hold some delegated responsibilities towards internal audit.
- Senior management of the authority, including the statutory officers, head of paid service, monitoring officer and section 151/section 95 officer that hold responsibilities for governance

The Code provides the route to satisfying the essential conditions in GIAS in the UK public sector, tailored for UK local government. The Application Note GIAS in the UK public sector directs the local government sector bodies to apply this Code.

Application Note – Global Internal Audit Standards in the UK Public Sector - provides a framework for the practice of internal audit in the UK public sector when taken together with the Global Internal Audit Standards (GIAS) issued by the Institute of Internal Auditors (IIA). It sets out interpretations and requirements which need to be applied to the GIAS requirements, in order that these form a suitable basis for internal audit practice in the UK public sector.

The barriers to achievement of the baseline essential conditions vary in extent and effect across different parts of the UK public sector. The RIASS for individual sectors[1] may choose to issue specific material for their sector, which internal auditors and quality assessors in the relevant sector must comply with.

Delivering Good Governance in Local Government: Framework – Addendum, covering the annual review of governance and the annual governance statement - Local authorities are accountable to the public and other stakeholders for ensuring they have a sound system of governance. They are required to prepare and publish an annual governance statement (AGS) in accordance with statutory regulations of the appropriate national government.

The statement should be consistent with the principles of good governance set out in Delivering Good Governance in Local Government: Framework (Governance Framework) (CIPFA and Solace, 2016). The statement includes the result of a review of the effectiveness of its system of internal control and provides assurance on whether the authority's governance arrangements are fit for purpose.

This addendum is the first update of the guidance since 2016 and replaces chapter 7 of the Framework publication. The 2016 publication and the seven principles of good governance remain unchanged.

Authorities should ensure that the AGS for 2025/26 onwards complies with this guidance, and they are encouraged to consider it for 2024/25.

Principle F: Managing risks and performance through robust internal control and strong public financial management

- Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector (GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit.

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[1] CIPFA as RIASS for local government has issued the Code of Practice for the Governance of Internal Audit in UK Local Government that among other things includes conditions, which, when applied in the local government internal audit context, will achieve the objectives of the GIAS conditions.

Appendix 1

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

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
Authority compliance (section 4)	The authority should explain how it complies with the Code in its annual governance statement. CIPFA have now published 'Delivering good governance in local government: framework – Addendum, covering the annual review of governance and annual governance statement' in which it requires a statement of assurance that Internal audit arrangements in conformance with the Global Internal Audit Standards in the UK public sector (GIAS and the Application Note) and the CIPFA Code of Practice on the Governance of Internal Audit. This is a requirement within the 2025/26 Annual Governance Statement.	Authority	Complete attached assessment and address any relevant mitigations in the Action Plan (Appendix 2).	-	Compliant
Internal Audit Mandate (section 1.1)	For local authorities the internal audit mandate is the statutory requirement within the Accounts & Audit Regulations [England] 2015. Regulations also include rights of access.	Internal Audit	The internal audit mandate is included within the Internal Audit Charter that is approved by the Audit & Governance Committee annually.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A)	Compliant
	In addition to internal audit's mandate from regulations, each body may agree a wider statement of internal audit's authority. Development of the mandate will involve the chief audit executive, senior management and the audit committee. If the audit committee has the delegated power, it must	Internal Audit / Authority	The Internal Audit Charter (which includes the Internal Audit Mandate) is presented for discussion with Senior Management and for discussion and approval by the Audit & Governance Committee annually.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A)	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
	approve the mandate. Alternatively, the audit committee should recommend approval to those charged with governance.		Opportunity to comment on the relative scope of the mandate is afforded in each of these forums.		
Internal audit's charter (section 1.2)	The chief audit executive has a responsibility to prepare a charter that conforms with GIAS (UK public sector). When reviewing the charter, the audit committee should be satisfied that it covers the governance arrangements for internal audit. It must include the mandate derived from the regulations, plus any additional agreed mandate, and include internal audit's reporting line to the audit committee. The charter should include the administrative reporting arrangements for internal audit and the chief audit executive. The audit committee must approve the charter or recommend its approval. Where there are significant changes to the governance of the authority, its risks or the internal audit function, the charter must be reviewed to ensure it is still fit for purpose and new formal approval given. A regular review is recommended to confirm the charter or update as required.	Internal Audit	The Internal Audit Charter is presented for discussion with Senior Management and for discussion and approval by the Audit & Governance Committee annually. The Internal Audit Charter includes internal audit mandate, and reporting lines (functional and administrative).	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A)	Compliant
Support for internal audit (section 1.3)	Internal audit's activities require access to and support from senior management, the audit committee and those charged with governance. Support allows internal audit to apply their mandate and charter in practice and meet expectations	Internal Audit	The expected level of support is detailed within the Internal Audit Charter that is discussed with senior management and discussed and approved by the Audit Committee & Governance annually.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A)	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
	The audit committee can demonstrate its support for internal audit by: • Enquiring of senior management and the chief audit executive about any restrictions on the internal audit's scope, access, authority or resources that limit its ability to carry out its responsibilities effectively. • Considering the audit plan or planning scope, and formally approving or recommending approval to those charged with governance. • Meeting at least annually with the chief audit executive in sessions without senior management present.	Authority	Attendance at the Audit & Governance Committee provides confidence that they are fulfilling the expectation of the CIPFA guidance, however, this is not explicit in the existing ToR The Audit Committee's Terms of Reference (in relation to the role of internal audit) require updating to align with the CIPFA Audit Committee Guidance.	Browse meetings - Audit and Governance Committee - Winchester City Council NB The Audit & Governance Committee's Terms of Reference are within the link to all A&G meetings and agendas	Partially Compliant
	Where internal audit is outsourced or delivered through a partnership arrangement, senior management and those charged with governance should ensure there is a nominated chief audit executive, and client responsibility lies with a member of senior management	Internal Audit / Authority	Client responsibility and administrative reporting of the Chief Internal Auditor rests with the Chief Finance Officer who is a member of the senior management team. Reporting lines are clearly detailed within the Internal Audit Charter	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A)	Compliant
Organisational independence (section 2.1)	On behalf of those charged with governance, senior management needs to establish and safeguard internal audit's independence. These arrangements must include:				
	• Ensuring internal audit's access to staff and records, as set out in regulations and the charter, operates freely and without any interference.	Internal Audit	This is covered in Internal Audit Charter presented for discussion with Senior Management and for discussion and approval by the Audit & Governance Committee annually.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
				Charter 2025-26 (Appendix A)	
	• Ensuring that the chief audit executive reports in their own right to the audit committee on the work of internal audit.	Authority	From 2025-26, all internal audit reports to the Audit & Governance Committee are authored independently by the Chief Internal Auditor and presented in their own name. NB In recent years, the Internal Audit Progress report has been appended to the Council's quarterly Governance Report. From 2025-26, we have agreed with the Council that the progress report will revert to a stand-alone report and will not be included within the wider Governance Report update therefore no corresponding action has been highlighted within the action plan. All other Internal Audit Reports to the Committee have been authored independently by the Chief Internal Auditor and presented in their own name.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A) AG164 Annual Internal Audit Conclusion Report 2024-25 AG164 - WCC Annual Internal Audit Conclusion Report 2024-25 (Appendix A) AG148 Q3 Governance Monitoring.pdf AG172 - WCC Internal Audit Progress Report October 2025 (Covering Report) AG172 - WCC Internal Audit Progress Report October 2025 (Appendix A)	Compliant

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Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
				AG151 Implementation of the Global Internal Audit Standards.pdf	
	• Providing opportunities for the chief audit executive to meet with the audit committee without senior management present.	Internal Audit	The Chief Internal Auditor has extended an invitation and meets with the Chair of the Audit & Governance Committee in a private session. This is also explicitly highlighted in the Internal Audit Charter.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A) Browse meetings - Audit and Governance Committee - Winchester City Council	Compliant
	• Where there are actual or potential impairments to the independence of internal audit, senior management should work with the chief audit executive to remove or minimise them or ensure safeguards are operating effectively.	Internal Audit	Should internal audit encounter any actual or potential impairments to independence such issues are highlighted to senior management to mitigate. Additionally, such issues are highlighted both in regular progress reports to senior management and the Audit & Governance Committee and in the Annual Conclusion.	AG172 - WCC Internal Audit Progress Report October 2025 (Covering Report) AG172 - WCC Internal Audit Progress Report October 2025 (Appendix A) AG164 Annual Internal Audit Conclusion Report 2024-25 AG164 - WCC Annual Internal Audit Conclusion	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
				Report 2024-25 (Appendix A)	
	In local government, matters around the appointment, removal, remuneration and performance evaluation of the chief audit executive will be undertaken by senior management, but these arrangements must not be used to undermine the independence of internal audit. The audit committee should provide feedback on the proposed job description, and the performance evaluation of the chief audit executive should include feedback from the chair of the audit committee.	Internal Audit	The role of the Chief Internal Auditor is incorporated within the Internal Audit Charter that is presented for discussion with Senior Management and for discussion and approval by the Audit & Governance Committee annually. Further the annual Key Stakeholder Survey seeks all Audit & Governance Committee members feedback on a range of performance criteria.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A) **For stakeholder feedback see supporting evidence for the GIAS ref 5a, 5b, and 5c**	Compliant
	The audit committee must support internal audit's independence by reviewing the effectiveness of safeguards at least annually, including any issues or concerns about independence from the chief audit executive. The chief audit executive must have the right of access to the chair of the audit committee at any time. The audit committee can escalate its concerns about internal audit independence to those charged with governance.	Internal Audit	Internal audit report functionally to the Audit & Governance Committee and administratively to senior management. The Internal Audit Charter which is reviewed and presented for discussion with Senior Management and for discussion and approval by the Audit & Governance Committee annually, details the safeguards to independence in place including direct access to the Chief Executive, Monitoring Officer and	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A) AG172 - WCC Internal Audit Progress Report October 2025 (Covering Report)	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
			Chair of the Audit & Governance Committee. Additionally, any impairments to independence are detailed in the regular Progress Report presented to senior management and the Audit & Governance Committee and as part of the Annual Conclusion.	AG172 - WCC Internal Audit Progress Report October 2025 (Appendix A) AG164 Annual Internal Audit Conclusion Report 2024-25 AG164 - WCC Annual Internal Audit Conclusion Report 2024-25 (Appendix A)	
Qualifications of the chief audit executive (section 2.2)	Where internal audit is fully outsourced, senior management should ensure that an appropriate individual from the provider is nominated as the chief audit executive and meets the qualification requirements.	Internal Audit	The Chief Internal Auditor maintains a minimum qualification of CCAB / CMIIA with significant post qualification experience. This is confirmed both within the Internal Audit Charter and through the annual self-assessment and periodic external assessment of internal audit compliance against the GIAS and Application Note, and Code of Governance for IA in LG, which is reported to Senior Management & the Audit & Governance Committee	A Harvey CIPFA Invoice 2025 (paid) A Harvey CIPFA Invoice 2025 (paid).pc A Harvey CIPFA membership Screenshot 14.11.25 A Harvey. CIPFA Membership Screensl A Harvey CIPFA Membership Certificate (Photo)	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
				AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A)	
Audit Committee interaction (section 3.1)	All audit committees should follow the CIPFA audit committee guidance for the oversight of internal audit.	Authority	Attendance at the Audit & Governance Committee provides confidence that they are fulfilling the expectation of the CIPFA guidance, however, this is not explicit in the existing ToR The Audit Committee's Terms of Reference (in relation to the role of internal audit) require updating to align with the CIPFA Audit Committee Guidance.	Browse meetings - Audit and Governance Committee - Winchester City Council	Partially Compliant
	To ensure there is good interaction between the audit committee and internal audit, audit committees must agree its work plan with the chief audit executive to ensure there is appropriate coverage of internal audit matters within audit committee agendas.	Internal Audit / Authority	The Internal Audit Charter provides a list of key documents to be reviewed, discussed and approved by the Audit & Governance Committee.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A)	Compliant

Southern Internal
Audit Partnership
Assurance through excellence
and innovation

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
			A forward plan is in place for the Audit & Governance Committee which clearly articulates coverage of internal audit matters. This is presented to the Committee at each meeting. NB In recent years, the Internal Audit Progress report has been appended to the Council's quarterly Governance Report therefore the work programme refers to this. This will be rectified now that the progress report will go to the Committee as a stand alone document.	AG work programme 25-26.pdf Audit and Governance Committee, Audit & Governance work programme 24/25 - updated Sept 24 Plan Document 01/11/2024 (Agenda Item 4)	
	The audit committee workplan should provide for the internal audit mandate and charter, strategy, plans, engagement reporting and the annual conclusion, and quality reports	Internal audit	The Internal Audit Charter provides a list of key documents to be reviewed, discussed and approved by the Audit & Governance Committee. A forward plan is in place for the Audit & Governance Committee which clearly articulates coverage of internal audit matters. This is presented to the Committee at each meeting.	AG165 Internal Audit Charter and Risk Based Plan 2025-26 AG165 WCC - Internal Audit Charter 2025-26 (Appendix A) AG work programme 25-26.pdf	Compliant
	The audit committee must familiarise itself with the authority's assurance framework, governance, risk	Authority	The Audit & Governance Committee review the Risk Management Policy/framework ahead of Cabinet	AG157 Annual review of risk	Compliant

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Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
	management and internal control arrangements to facilitate its interactions with internal audit.		approval and receive regular updates of the organisation's strategic risks within the quarterly Governance Report. Additionally, the Audit & Governance Committee receive and approve the Council's Local code of Corporate Governance annually.	management policy.pdf CAB3500 Annual review of risk management policy 25-26.pdf AG160 Q4 Governance Monitoring.pdf AG152 Local Code of Corporate Governance.pdf	
	The audit committee should have oversight of the annual governance statement before final approval.	Authority	The Audit & Governance Committee receive a draft Annual Governance Statement for review and comment prior to receipt of the final version	AG162 Annual Governance Statement 2024-25.pdf	Compliant
	Where internal audit considers the management of risk or proposed actions in response to audit engagements represent an unacceptable level of risk to the authority, the audit committee must review the matter. The committee should make their recommendation to either management or those charged with governance as necessary.	Internal Audit	Internal audit reporting to the Audit & Governance Committee highlights any areas where it is considered the management of risk or proposed actions in response to audit engagements represents an unacceptable level of risk to the authority for the Audit & Governance Committee to consider and review. This is featured in both the regular progress report and the annual conclusion.	AG172 - WCC Internal Audit Progress Report October 2025 (Covering Report) AG172 - WCC Internal Audit Progress Report October 2025 (Appendix A) AG164 Annual Internal Audit Conclusion Report 2024-25 AG164 - WCC Annual Internal Audit Conclusion	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
				Report 2024-25 (Appendix A)	
Resources (section 3.2)	The audit committee and senior management must engage with the chief audit executive to review whether internal audit's financial, human and technological resources are sufficient to meet internal audit's mandate as set out in the regulations and achieve conformance with GIAS (UK public sector).	Internal Audit	Internal Audit Resourcing is covered within the Internal Audit Charter, Internal Audit Progress Report(s), and the Internal Audit Plan all of which are reported to Audit & Governance Committee.\n\nAssurance is further confirmed through the annual self-assessment and periodic external assessment against the GIAS in the UK Public Sector.	AG165 Internal Audit Charter and Risk Based Plan 2025-26\n\nAG165 WCC - Internal Audit Charter 2025-26 (Appendix A)\n\nAG172 - WCC Internal Audit Progress Report October 2025 (Covering Report)\n\nAG172 - WCC Internal Audit Progress Report October 2025 (Appendix A)	Compliant
	Where there are concerns about internal audit's ability to fulfil its mandate or deliver an annual conclusion, the concerns should be formally recorded and reported to those charged with governance.	Internal audit	Internal Audit Resourcing is covered within the Internal Audit Charter, Internal Audit Progress Report(s), and the Internal Audit Plan all of which are reported to the Audit & Governance Committee.\n\nAny concerns about internal audit ability to fulfil the audit mandate and deliver the annual conclusion are raised as part of the regular internal audit progress report presented to senior management and the Audit & Governance Committee.	AG165 Internal Audit Charter and Risk Based Plan 2025-26\n\nAG165 WCC - Internal Audit Charter 2025-26 (Appendix A)\n\nAG165 WCC - Internal Audit Plan 25.26 (Appendix B)\n\nAG172 - WCC Internal Audit Progress Report October 2025 (Covering Report)	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
				AG172 - WCC Internal Audit Progress Report October 2025 (Appendix A)	
	If resource issues result in a limitation of scope on the annual conclusion, this should also be reported and disclosed in the annual governance statement.	Authority	Should circumstances dictate the limitations of scope will be included in the Annual Governance Statement.	-	Compliant
Quality (section 3.3)	Annually, the audit committee must review the results of the chief audit executive's assessment of conformance against GIAS (UK public sector), including any action plan.	Internal Audit	The Quality Assurance and Improvement Plan (QAIP) detail the requirement for the annual self-assessment and periodic external assessment of internal audit against the GIAS in the UK Public Sector. During the autumn of 2025 an external quality assessment (EQA) of the Southern Internal Audit Partnership is being undertaken. The EQA report will be presented to the first Audit & Governance Committee in the New Year (2026) along with an action plan to address any areas of non-conformance.	AG176 - WCC External Quality Assessment (Covering Report) AG176 - SIAP Quality Assurance Improvement Programme - GIAS UK Public Sector Appendix A.pdf	Compliant
	The audit committee must review the chief audit executive's annual report, including the annual conclusion on governance, risk management and control, and internal audit's performance against its objectives.	Internal Audit	The Annual Internal Audit Conclusion is presented annually to the Audit & Governance Committee and is used to inform the Annual Governance Statement.	AG164 Annual Internal Audit Conclusion Report 2024-25 AG164 - WCC Annual Internal	Compliant

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
				Audit Conclusion Report 2024-25 (Appendix A)	
	To meet the requirements of the regulations (the mandate) for internal audit, the audit committee must satisfy itself on the effectiveness of internal audit. They should take into account conformance with the standards, interactions with the committee, performance and feedback from senior management. Their conclusions should be reported to those charged with governance, for example, as part of the audit committee's annual report.	Authority	Internal audit facilitate this through their reporting of compliance against the GIAS in the UK Public Sector and through their ongoing interactions in Committee meetings. Compliance is reported in the Annual Conclusion and the regular progress reports presented to the Audit & Governance Committee throughout the year.

Further feedback is attained through the annual Stakeholder Survey on performance and effectiveness.

The Audit & Governance Committee have not presented an Annual Report during 2024-25 or 2025-26. | AG164 Annual Internal Audit Conclusion Report 2024-25

AG164 - WCC Annual Internal Audit Conclusion Report 2024-25 (Appendix A)

AG172 - WCC Internal Audit Progress Report October 2025 (Covering Report)

AG172 - WCC Internal Audit Progress Report October 2025 (Appendix A)

For stakeholder feedback see supporting evidence for the GIAS ref 5a, 5b, and 5c | Partially Compliant |
| External quality assessment (section 3.4) | On behalf of those charged with governance and the audit committee, senior management must ensure that internal audit has an external quality assessment at least once every five years of its conformance against GIAS (UK public sector), including this Code. Senior management and the chief audit executive should | Internal Audit | A paper was presented to senior management and will be presented to the Audit & Governance Committee to engage them in the pending EQA process. The paper | AG176 - WCC External Quality Assessment (Covering Report)

AG176 - SIAP Quality Assurance | Compliant |

Requirement	Description	Responsibility	Assessment of Existing Arrangements	Supporting Evidence	Status
	discuss the timing of the review and report the options and their recommendation to the audit committee. The proposals for the scope, method of assessment and assessor should be brought to the audit committee for agreement. The assessor must use this Code alongside the standards and be familiar with the sector		outlined the scope, method, timing, and the assessors considered	Improvement Programme - GIAS UK Public Sector Appendix A.pdf	
	The audit committee must receive the complete results of the assessment and consider the chief audit executive's action plan to address any recommendations. Progress should be monitored.	Internal Audit	During the autumn of 2025 an external quality assessment (EQA) of the Southern Internal Audit Partnership is being undertaken. The EQA report will be presented to the first Audit & Governance Committee in the New Year (2026) along with an action plan to address any areas of non-conformance.	AG176 - WCC External Quality Assessment (Covering Report) AG176 - SIAP Quality Assurance Improvement Programme - GIAS UK Public Sector Appendix A.pdf	Compliant

Appendix 2

Action Plan

Ref.	Action	Action Owner	Target Date	Detail
Non – Compliance with the Code of Practice for the Governance of Internal Audit in UK Local Government				
1.3 & 3.1	Internal Audit to liaise with the Council to outline that the Terms of Reference for the Audit & Governance Committee require updating to align with the CIPFA Audit Committee Guidance. The Council to update the Terms of Reference for the Audit & Governance Committee. Action /timescales TBC.	Antony Harvey Authority	Jan 26 Mar 26	The Audit & Governance Committee's Terms of Reference require updating to align with the CIPFA Audit Committee Guidance.
3.3	Internal Audit to liaise with the Council to outline that the Audit & Governance Committee have not produced an Annual Report. The Council to advise the Audit & Governance Committee that an Annual Report on their activities should be re-instated.	Antony Harvey Authority	Jan 26 Mar 26	To meet the requirements of the regulations (the mandate) for internal audit, the audit committee must satisfy itself on the effectiveness of internal audit. Their conclusions should be reported to those charged with governance, for example, as part of the audit committee's annual report The Audit & Governance Committee have not presented an Annual Report during 2024-25 or 2025-26.