

REPORT TITLE: GOVERNANCE QUARTERLY UPDATE – Q1 2021/2

22 JULY 2021

REPORT OF CABINET MEMBER: CLLR CUTLER – DEPUTY LEADER AND
CABINET MEMBER FOR FINANCE AND SERVICE QUALITY

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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 arising during the first quarter of the 2021/22 financial year.

RECOMMENDATIONS:

1. That the Audit and Governance Committee notes the content of the report, the progress against the internal audit management actions and raises any issues with the cabinet member
2. That the Audit and Governance Committee reviews the Corporate Risk Register and as per the Risk Management Policy, agrees the risks for future in depth reporting and assurance and is brought back a future meeting

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

- 1.1 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

- 2.1 There are no financial implications.

3 LEGAL AND PROCUREMENT IMPLICATIONS

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

4 WORKFORCE IMPLICATIONS

- 4.1 None

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None

6 CONSULTATION AND COMMUNICATION

- 6.1 Consultation on the content of the report has been undertaken with the Deputy Leader and Cabinet Member for Finance and Service Quality and members of the Executive Leadership Board (ELB).

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None arising from the content of the report, although officers will have regard to the considerations as set out in the Equalities Act 2010 and whether an equality impact assessment will be required to be undertaken on any specific recommendations or future decisions made. This report is not making any decisions and is for noting and raising issues only.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None

10 RISK MANAGEMENT

- 10.1 This report presents a summary update on how the council is performing against the governance processes and procedures that are in place and set

out in the Risk Management Policy 2021 and Local Code of Corporate Governance. Independent assurance provided by the council's internal and external auditors evidence where there are weaknesses in the council's governance arrangements and are highlighted in this report.

- 10.2 A copy of the Corporate Risk Register as at 30 June 2021 is appended to this report and this sets out the key corporate risks; the controls in place to mitigate each risk; and any residual risk exposure.

11 SUPPORTING INFORMATION:

- 11.1 This report sets out the summary information in respect of the first quarter of the 2021/22 financial year concerning governance.

Annual Governance Statement

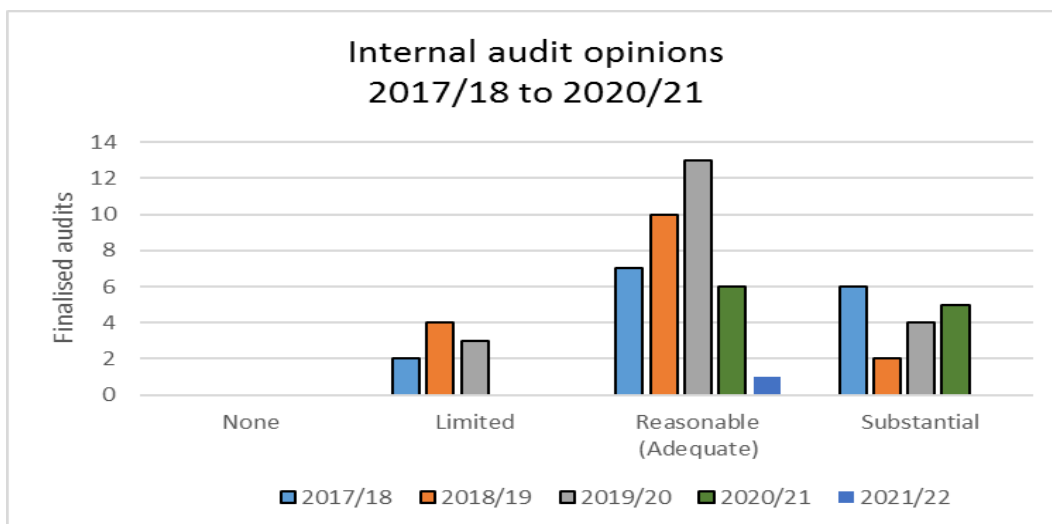
- 11.2 Progress against the actions included in the 2019/20 Annual Governance Statement is included in appendix 1 to this report.
- 11.3 The Annual Governance Statement for 2020/21 is also presented to this committee in paper AG056 for consideration elsewhere on the agenda.

Declarations of gifts and hospitality

- 11.4 During the period of 01 April 2021 to 30 June 2021, the following declaration by an officer was recorded in accordance with the policy:
- A bottle of wine which was subsequently donated to the Mayor's Charities
- 11.5 Members regularly update their register of interest forms and there were no declarations of gifts or hospitality during the period of 01 April 2021 to 30 June 2021.

12 Internal Audit Assurance Reports

- 12.1 The graph below shows the assurance levels of the completed internal audits that were included in the audit plans in the years 2017/18 to the current year; 2021/22.



- 12.2 There have been no published audit reports that concluded with a 'no assurance' opinion.
- 12.3 Since the last Audit and Governance Committee meeting on 9 June 2021 there has been one internal audit report published.
- Patch Management (IT systems) 2020/21 – reasonable assurance

Internal Audit Management Tracking

- 12.4 Progress against the management actions included in the internal audit reports (since May 2016) are regularly reviewed by managers and Executive Leadership Board (ELB).
- 12.5 A summary table showing the status of these actions is reported on a quarterly basis. These management actions are kept under regular review to assess where actions might become superseded or obsolete due to external or internal factors.
- 12.6 The outbreak of the COVID-19 pandemic has continued to have an impact on staff capacity with a number of staff actively supporting the council's response during the last year, some almost exclusively. For these reasons there has been some slippage in the completion before due date of a number of audit actions.
- 12.7 To assist member's understanding additional narrative is now included in the table to provide a brief explanation of the overdue audit actions and the reasons for the delay in completion, including where the delay is caused by staff capacity owing to the response to the COVID-19 pandemic.
- 12.8 There are currently 27 overdue audit actions with 2 being high priority. This are 8 overdue audit actions fewer than reported in June 2021.

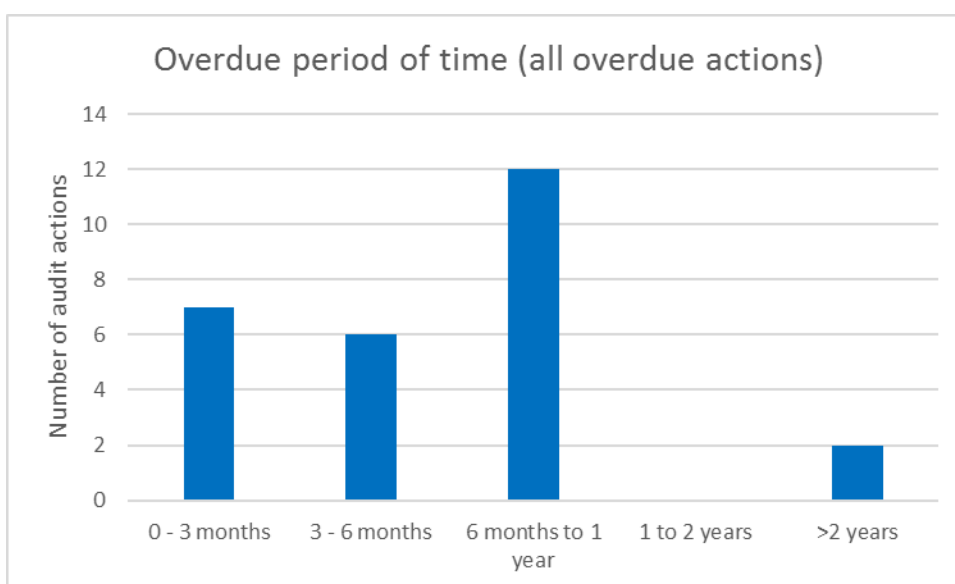
Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')							
				Reported	Not Accepted	Pending	Cleared	Overdue	LOW	MEDIUM	HIGH
Hampshire Cultural Trust											
	24/05/16	SDP	Limited	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)		1	
<p>Update: Progress has been made since the last meeting of this committee with one last outstanding point on the draft lease for the City Museum under discussion with the Trust. Once approved it is expected that the lease for the Westgate Museum will be in a similar form and follow imminently.</p>											
IT Software Licensing and IT Asset Management											
	12/03/18	SDR	Adequate	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)	1		
<p>Update: The council has prioritised the Windows 10 project which will provide improved security and performance, with the deployment of laptops and other mobile devices ahead of the IT Asset Management project.</p> <p>The project will be reviewed alongside resource availability and council priorities closer to completion of the Windows 10 project by Q3 21/22.</p>											

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')						LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue				
Digital Agenda												
	05/02/19	SDR	Adequate	3 (0)	0 (0)	0 (0)	2 (0)	1 (0)	1			
<p>Update: Planning has begun to complete the last outstanding action which relates to the review of the data and information on all of the council's websites to ensure that they are fully accessible and meet the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018. Each service will be required to review their own data and update as required to ensure it meets the accessibility requirements and is expected to be completed during the autumn.</p>												
Partnerships 2019/20												
	09/09/20	SDR	Limited	12 (2)	0 (0)	0 (0)	2 (2)	10 (0)		10		
<p>Update: Progress is now being made to complete these overdue actions which are all medium priority. The overdue actions include completion of a partnership working guide for managers including best practice, development of a standard operating procedure for future partnership management followed by dissemination to the council's management forum</p> <p>Further actions include updating the council's partnership register to include more management information and that each partnership objectives are aligned to the Council Plan priorities to give greater transparency on areas of engagement and that a risk register is created for each partnership.</p> <p>The updating of the partnership register has been substantially completed with only a few responses outstanding and these are being followed up. It is expected that the register of all partnerships will be completed by the agreed revised date of July 2021. Partnership guidance documentation has drafted and will be presented to ELB later in June for approval before rolling out to officers who are involved with partnerships through the summer.</p> <p>An overall report on the work of the council's partnerships is planned for September 2021.</p>												

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')							
				Reported	Not Accepted	Pending	Cleared	Overdue	LOW	MEDIUM	HIGH
Building Control											
	24/09/20	SDR	Reasonable	10 (0)	0 (0)	2 (0)	7 (0)	1 (0)		1	
<p>Update: Three actions completed since the last committee meeting leaving one remaining overdue action relating to carrying out a survey relating to KPI 06. Action remains outstanding due to reduced management staffing within Building Control Team. Revised deadline October 2021.</p>											
Health & Safety 2020/21											
	22/10/20	SDR	Reasonable	17 (4)	0 (0)	0 (4)	6 (2)	11 (2)		9	2
<p>Update: The progress of the actions relating to the Health and Safety internal audit was discussed at Executive Leadership Board (ELB) on 7 July. 6 actions including 2 “high priority” actions have been cleared since the last committee meeting. Further details below:</p> <ul style="list-style-type: none"> • The Health & Safety policy has now been reviewed, updated and signed off by the Chief Executive, • Service Leads are currently reviewing Health and Safety Risk Assessments to ensure all are up to date and reflect latest organisational changes. Both “high priority” actions relate to this work and a date of 31 October 2021 has been set for completion of the review, updating where required and publication of all risk assessment (most will be completed well ahead of that date). • Have commenced the reinvigoration of the corporate Health & Safety Working Group by requesting that corporate heads of service reselect new volunteer members to the group with the first meeting expected to take place in August; 											

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')							
				Reported	Not Accepted	Pending	Cleared	Overdue	LOW	MEDIUM	HIGH
WCC Gas Safety 20/21											
	8/10/20	SDR	Substantial	2 (0)	0 (0)	0 (0)	0 (0)	2 (0)	2		
<p>Update: Two outstanding actions with the first to review Grenfell recommendations. Team still awaiting the formal recommendation/s from the Grenfell inquiry and nothing is likely to change on this recommendation until that happens (i.e. no change anticipated for at least 6/12 months).</p> <p>The second is to review roles and responsibilities that are included in Gas Safety Policy. This remains a low priority and does not impact on operational effectiveness. The council will soon be reviewing its broader and longer term approach to natural gas heating appliances as part of the Climate Emergency so suggest target on this gets put back to 31/3/2022</p>											

- 12.9 Committee members previously requested a chart be included in the quarterly governance monitoring reports that shows the period of time that outstanding audit management actions have been overdue.
- 12.10 Of the 27 overdue actions at 30 June 2021, 7 actions were overdue by three months or less and the majority of these actions relate to the Health and Safety audit.
- 12.11 A total of 11 overdue actions are attributable to the Health and Safety audit including all 2 actions that are high priority. A further 10 overdue actions relate to the Partnerships audit.



- 12.12 The chart above shows there are 2 management actions overdue by more than 2 years. The oldest action relates to the audit that reviewed the transfer between the council and the Hampshire Cultural Trust and was issued in May 2016. Progress has been made since the last meeting of this committee with the Cultural Trust and the council who are in discussions over the last outstanding matter within the City Museum draft lease. Once agreed this will set the way forward for a similar lease to be drafted for the Westgate Museum.
- 12.13 The second action overdue by more than 2 years relates to the Digital Agenda audit and the review of all data on the council's website to ensure it is fully accessible with planning underway.

Risk Management

- 12.14 The council's Risk Management Policy 2021/22 sets out a timetable for this committee to review the policy and corporate risks (section 11 of the Risk Management Policy).

- 12.15 Included in the timetable, referred to as being during the summer, this committee is asked to review the corporate risks that are included on the register and agree any risks for future in-depth reporting and assurance.
- 12.16 Attached as appendix 4 to this report is the Corporate Risk Register that was appended to the policy when it was approved by Cabinet at its meeting on 10 March 2021 (report CAB3245 refers).
- 12.17 The corporate risks are:
- | | |
|-------|---|
| CR001 | Having capacity to deliver services and priorities |
| CR003 | Challenges to decisions due to a lack of strong evidence base |
| CR004 | Failure to have in place robust business continuity plans to maintain and recover services after a major incident |
| CR006 | Effective partnership working |
| CR007 | Financial stability and balanced budget |
| CR008 | Strategic planning for future housing |
| CR010 | Responding to the Climate Emergency |
- 12.18 This committee is asked to consider the corporate risks and agree any for future in-depth reporting and review to provide the assurance that the risks are being adequately managed.
- 12.19 ***Code of Conduct Complaints***
- 12.20 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, that have been referred to it by the Monitoring Officer.
- 12.21 Appendix 2 provides brief details of the Code of Conduct complaints that have been received and where the assessment (or investigation) into the complaint has concluded, a brief update on the outcome.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG050 Governance Quarterly update Q4 2020/21, 9 June 2021

Other Background Documents:-

None

APPENDICES:

Appendix 1 – Annual Governance Statement 2020/21 – progress update

Appendix 2 – Internal Audit Progress Report

Appendix 3 – Code of Conduct complaints

Appendix 4 – Corporate Risk Register 2021/22 – as at 30 June 2021

Annual Governance Statement 2019/20 – Action Plan update – July 2021

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
1.	Partnership working – the need to ensure that the council maintains effective partnership working	Review partnerships to ensure all required documents are in place and up to date	Work is ongoing to finalise the updates to the partnership register and will be completed by the agreed revised target date of end of July 2021.	Corporate Head of Engagement	September 2020	RED
		Annual report covering the performance of key partnerships scheduled to be considered at The Scrutiny Committee.	An overall report on partnerships is being prepared for September 2021.	Corporate Head of Engagement	September 2020	RED
		Complete Partnership Working Guide for Managers	Draft guidance has been produced and will be presented to ELB for consideration at a date to be decided for approval and sign off	Corporate Head of Engagement	September 2020	RED
2.	Business Continuity - ensuring that the council has robust and adequate plans in place to maintain business critical services following the event of a crisis or disruption affecting its operations	Review of business continuity framework and response to COVID-19 pandemic by internal audit	Audit completed late summer 2020 and concluded with Substantial Assurance and no weaknesses identified.	Senior Policy & Programme Manager	31 August 2020	Complete
		Business Continuity training plans developed and testing scheduled	Training programme for staff working in business critical services completed.	Senior Policy & Programme Manager	31 December 2020	Complete
3.	Equality Impact Assessments (EqIA) reviewing the current arrangements in place	Review and update current EqIA guidance and templates and brief out to staff ensuring that the council meets the requirements of the	A revised corporate approach to implementation of the public sector equality duty will be presented to this committee at its next meeting	Service Lead – Legal	30 September 2020	Drafted

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
	ensuring the council meets the requirements of the Equalities Act 2010	Equalities Act 2010 and Human Rights Act 1998	on 22 July 2021.			
4.	Restoration & Recovery Plan – COVID-19 to develop and implement a full Restoration and Recovery Plan for the ongoing provision of council services	Detailed report to Cabinet that sets out the council's high level restoration and recovery approach/ high level plans.	COVID-19 Restoration and Recovery Plan included with Responding to the Coronavirus outbreak report presented to cabinet on 21 May 2020 (report CAB3244 refers)	COVID-19 GOLD Group	May 2020	Complete
		Develop and implement a full restoration and recovery plan that takes into consideration the impacts on council services from the COVID-19 pandemic.	Corporate heads of service have completed updating their service plans for 2021/22 and include relevant restoration and recovery actions.	Executive Leadership Board	30 October 2020 (plans approved)	Complete
5.	Finance Recovery Plan – COVID-19 review the council's Medium Term Financial Strategy and the financial impact of COVID-19 ensuring that the a balanced budget is maintained	Full review of the impact of the COVID-19 pandemic on the council's finances and an updated budget for 2020/21 taking in revised projections approved.	Revised budget for 2020/21 considered by Scrutiny Committee on 7 September and approved by Council on 23 September 2020 (report CAB3246 refers). Budget for 2021/22 approved by Council on 24 February 2021	Strategic Director: Services (S151 Officer)	September 2020	Complete

Internal Audit Progress Report 2021/22

June 2021

Winchester City Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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1. Role of Internal Audit

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

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

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

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

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

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

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

2. Purpose of report

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

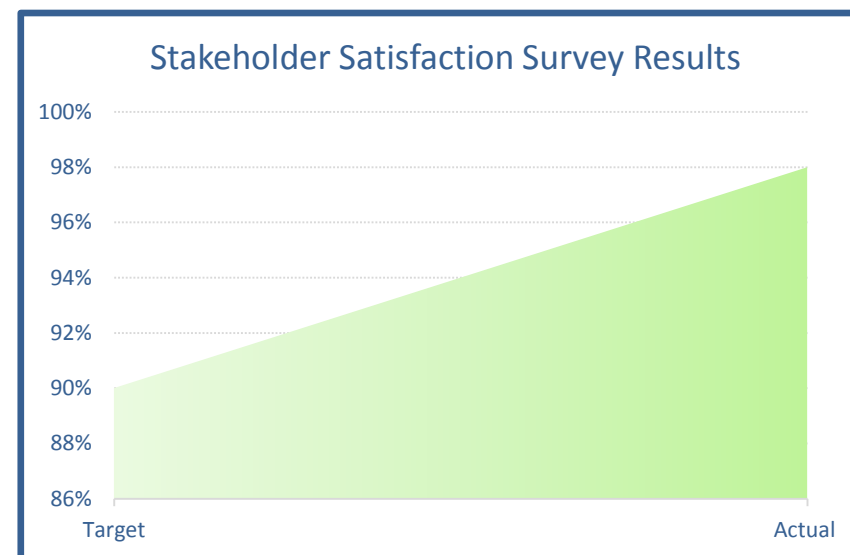
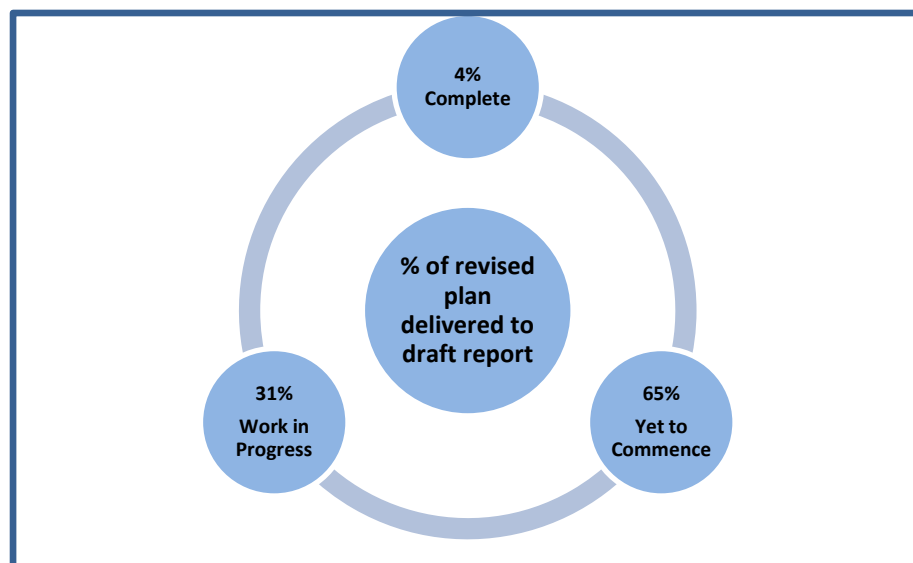
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

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

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

** Some reports listed within this progress report (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to the adoption of the CIPFA standard definitions, reference is provided at Annex 2.*

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An External Quality Assessment of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the International Professional Practices Framework (IPPF) include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles.

It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.

We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).

We are pleased to report that SIAP conform with all relevant, associated elements.'

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Yet Due	Complete	Overdue		
							L	M	H
Hampshire Cultural Trust	May 16	SDP	Limited **	3	0	2		1	
IT Software Licensing and IT Asset Management	Mar 18	SDR	Adequate **	3	0	2	1		
Digital Agenda	Feb 19	SDR	Adequate **	3	0	2	1		
Mobile Devices *	Jul 19	SDR	Limited **	5	0	5			
Planning and Open Spaces (CIL) *	Oct 19	SDR	Adequate **	8	0	8			
Programme and Project Management *	Jun 20	SDR	Adequate **	6	0	6			
Working in Partnership	Sep 20	SDR	Limited **	12	0	2		10	
Building Control	Sep 20	SDR	Reasonable	10	2	7		1	
Housing Asset Management – Gas Safety	Oct 20	SDS	Substantial	2	0	0	2		
Health and Safety	Oct 20	SDP	Reasonable	17	0	6		9	2
Accounts Receivable	Nov 20	SDR	Reasonable	3	1	2			
Capital Programme and Monitoring	Feb 21	SDS	Reasonable	4	4	0			
Secure e-mail	Feb 21	SDR	Reasonable	13	10	3			
Programme & Project Management	May 21	SDR	Substantial	1	1	0			
Contract Management	May 21	SDR	Reasonable	6	6	0			
(IT) Patch Management	Jun 21	SDR	Reasonable	5	5	0			
Total							4	21	2

* Denotes audits where all actions have been completed since the last progress report.

** The reports listed (pre 2020-21 audit plan) refer to categorisations used by SIAP prior to the adoption of the CIPFA standard definitions, reference is provided at Annex 2.

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

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

There have been no ‘Limited’ or ‘No’ Assurance opinion reports issued as part of the 2021-22 audit work. The findings from the Information Governance – Record Retention (Limited Assurance opinion report as shown below in section 7 of this progress report) were included within the 2020-21 Annual Internal Audit Report and Opinion reported to the Audit and Governance Committee in June 2021 (AG051).

6. Planning & Resourcing

The internal audit plan for 2021-22 was approved by the Council’s Management Team and the Audit and Governance Committee in March 2021.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2020-21								
Information Governance – Records Management	SDR	✓	✓	✓	May 21		Limited	Included within 20-21 annual report
(IT) Patch Management	SDR	✓	✓	✓	Feb 21	Jun 21	Reasonable	Included within 20-21 annual report
Cyber Security	SDR	✓	✓	✓				
ICT Business Continuity	SDR	✓	✓	✓	Jun 21			
2021-22								
Strategic / Governance Reviews								
Strategic Planning and Performance Management	SDR	✓	✓	✓				
Programme & Project Management – Use of Consultants on Major Projects	SDR							Q3
Energy Management / Climate Emergency / Green Agenda	SDS							Q3
Asset Management (Corporate Estate)	SDS							Q4
Working in Partnership / Alternative Delivery Models	SDS							Q2/3
Economic Development and Regeneration	SDS							Q2/3
Risk Management	SDR	✓	✓	✓				
Contract Management – Leisure Centre	SDP							Q4
Information Governance	SDR							Q4

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Fraud Framework - NFI	SDR	n/a	n/a	✓				On-going
Human Resources	SDR							Q3
Human Resources (2 nd review provision)	SDR							Q4
Core Financial Systems								
NNDR	SDS							Q2/3
Overtime and Expenses	SDS	✓	✓	✓				
Information Technology								
Incident and Problem Management	SDR	✓						Q2
IT Asset Management	SDR							Q4
User Lifecycle & Access Management	SDR							Q3
Service / Operational Reviews								
Housing Management, Enforcement and Homelessness - Letting of New Homes	SDS							Q2/3
Housing Management, Enforcement and Homelessness (2 nd review provision)	TBC							Q2/3
Disabled Facilities Grants	SDS	✓	✓					
Land Registry / Charges	SDS	✓	✓					
Tree Management	SDS							Q2
Certification Audits								
Bus Service Operator Grant	SDS							Certification audit. Q2
Mayor's Charity Account	SDS							Certification audit. Q2

Annex 1 - Adjustments to the plan

Audit reviews added to the plan (included in rolling work programme above)	Comment
None	

Audit reviews removed from the plan (excluded from rolling work programme)	Comment
None	

Annex 2 - Assurance opinions and definitions used by SIAP prior to adoption of the CIPFA standard definitions

As from April 2020 CIPFA guidance recommends a standard set of assurance opinions and supporting definitions for internal audit service providers across the public sector.

To ensure SIAP continue to conform to the best practice principles, the standard definitions were adopted for our 2020-21 work and moving forwards.

There remain some residual reviews detailed within Section 4 of this report that refer to SIAPs former assurance ratings which are detail below.

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

Code of conduct complaints

A. Code of Conduct Complaints received by office of the Monitoring Officer since previous meeting of Audit & Governance Committee and update of those previously reported - as at **30 June 2021**

Date contact first made with Monitoring Officer	Complaint against district or parish/town councillor	Details
26 June 2020	District Councillor	On hold by the Monitoring Officer.
30 September 2020	District Councillor	Complaint received 30 September 2020 which is under assessment by the Monitoring Officer.
5 October 2020	Parish/Town Councillor	Previous complaint submitted 8 September 2020 and then withdrawn and resubmitted 5 October 2020. Currently under investigation. *
5 November 2020	District Councillors	Under assessment by Monitoring Officer and Independent Person.
11 February 2021	District Councillors	Under assessment by Monitoring Officer and Independent Person
25 March 2021	Parish Councillor	Under assessment by Monitoring Officer and Independent Person

* A further 12 related complaints received since October 2020, over the course of the investigation.

B. Issues raised and discussed with the office of the Monitoring Officer since the previous meeting of Audit & Governance Committee - as at **30 June 2021**

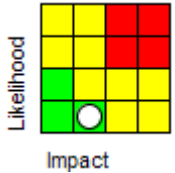
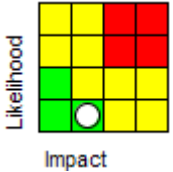
	Number of issues raised	Comments
District Councillors	4 issues raised by email or phone	None have led to receipt of complaint to date.
Parish/Town Councillors	2 issues raised by email or phone	None have led to receipt of complaint to date.

Corporate Risk Register 2021/22

30 June 2021

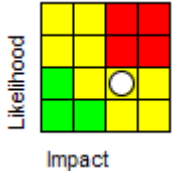
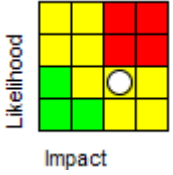
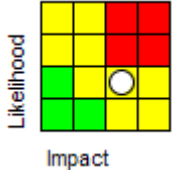
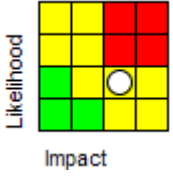


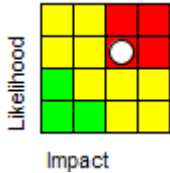
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Residual Risk Score	Current Controls	Target Risk Score
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services.	Chief Executive	<ul style="list-style-type: none"> • Ambitious council plan with multiple strands of activity • Outbreak of pandemic flu that increases the pressure to continue to provide critical services as well as respond to the needs of residents and businesses affected by the pandemic • Cultural desire to 'go the extra mile' • Competition from the private sector for key staff roles eg planning, project management • Officers not sensitive to the political reality and perhaps focus on 'old' 	<ul style="list-style-type: none"> • If decision making is slow, delays occur and potentially available resources are redeployed or become unavailable if they are externally sourced. • If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities • If staff are diverted then can't deliver on other lower-level priorities or day-to-day things • Reputation is damaged as the council is not seen to be able to complete projects 		<ul style="list-style-type: none"> • Introduction of Winchester 'fitty' council initiative to reduce staff sickness and improve productivity • Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place • Proactive approach to communications internal and external • Political skills awareness sessions for all middle managers • Positive use of fixed term contracts to aid flexible resourcing • Targeted use of external resource • Reallocation of human and 	

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			<p>priorities</p> <ul style="list-style-type: none"> Decision making can be slow, Middle management too rule driven and need to be more responsive Reluctance to “just do it” Tension between day-to-day and strategic priorities Skills not in the right place 	<ul style="list-style-type: none"> Local members are not always kept informed of activity in their area Unable to deliver key council services 		<p>financial resources across and within the organisation as required</p> <ul style="list-style-type: none"> GOLD command review resources on a regular basis 	
CR003	Decisions made by the council are challenged due to a lack of a strong evidence base, customer insight and engagement with change.	Strategic Director (Resources)	<ul style="list-style-type: none"> 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 that there is an 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 skill to identify evidence to support 	<ul style="list-style-type: none"> Lack of a robust and evidence based approach to customer engagement can lead to: <ul style="list-style-type: none"> Reputational damage Views that the council is too Winchester-centric That decisions made are inequitable There is a perception that people’s views are ignored Without a robust and evidence based engagement process the council is exposed 		<ul style="list-style-type: none"> Residents’ survey completed early 2019 A we asked ... you said ... we did feedback approach A council wide data capture exercise completed Comms approach reset to simplify language and remove data jargon Move to proactive openness and transparency A more inclusive approach to engagement that also considers the restrictions in place due to the pandemic 	

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			decision making	to risk of challenge on decisions that there is a lack of public consultation and engagement			
CR004	Business Continuity – failure to recover services after a major incident (including pandemic) that has had a significant impact on the ability of the council to provide its services	Strategic Director (Services)	<ul style="list-style-type: none"> Not maintaining an effective corporate wide Business Continuity Plan Not regularly testing of plan and follow-up Key staff unavailable Communication systems ineffective Lack of awareness Failure to assess business critical functions 	<ul style="list-style-type: none"> Unacceptable delay and uncertainty in returning to normal working after an emergency Adverse publicity and criticism Reputation damage Adverse social impact 		<ul style="list-style-type: none"> Business Continuity Plans reviewed in 2020 Annual testing of IT Disaster Recovery Plan Critical services identified with individual business continuity plans Back up temporary office accommodation at Hyde Lodge All staff able to seamlessly work from home, where job allows Recent internal audit resulting in substantial opinion and no identified weaknesses 	
CR006	Effective partnership working	Strategic Director (Place)	<ul style="list-style-type: none"> Partnerships can falter due to lack of shared vision within partnerships Strategic partnerships may falter due to conflicting demands within individual partners Failure within procurement process Partnerships may be 	<ul style="list-style-type: none"> Significant project delivery such as the major projects and the new home building programme may fail due to failed of strategic partnerships Local delivery may fail if local strategic partners are not aligned 		<ul style="list-style-type: none"> Annual review of all partnerships undertaken to identify key strategic partners Introduction of annual performance reporting for significant partnerships 	

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			<ul style="list-style-type: none"> unsuccessfully commissioned due to lack of procurement skills and poor scoping. Significant local, regional or national partners may close down, affecting council 	<ul style="list-style-type: none"> Reputational damage to all partners 			
CR007	Lack of sufficient funding and/or escalating costs over the medium term reduce financial viability	Strategic Director (Services)	<ul style="list-style-type: none"> Reduced Government funding Reliance on strategic partners to deliver services and projects Financial impact of a pandemic, including national and local budget pressures Macro economy, including 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 	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> 1 year funding settlement in place Outcome Based Budgeting (OBB) approach setting out 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 Maintain General fund reserve of at least £2m Regular review of reserves 	

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CR008	Strategic planning for housing	Strategic Director (Services)	<ul style="list-style-type: none"> Increasing demand for new houses High cost of housing, including private rented sector Slow completion for building of new homes Unable to identify new sites for new houses 	<ul style="list-style-type: none"> Increased housing waiting list numbers Difficulty accessing housing markets Outward migration of younger residents Adverse publicity Government intervention 		<ul style="list-style-type: none"> Plans in place to deliver significant new homes Regular monitoring of projects Regular review of Housing Strategy 	
CR009	Cyber Security	Strategic Director (Resources)	<ul style="list-style-type: none"> Malicious attack by hackers for financial gain (Ransomware); Malicious attack by hackers to disrupt business and ability to deliver services; Viral code attack in order to data mine information and identities 	<ul style="list-style-type: none"> 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 		<ul style="list-style-type: none"> 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 CESH guidelines; Regular system health checks and vulnerability scans; System and software 	

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						maintained to supported levels. Email security managed by accredited 3rd party	
CR010	Responding to the Climate Emergency	Strategic Director (Services)	<ul style="list-style-type: none"> Failure to take steps to achieve target for the council to be carbon neutral by 2024 Resistance to behavioural change to reduce energy use Not take advantage of new technologies to reduce energy usage Funding not made available Insufficient project capacity in house 	<ul style="list-style-type: none"> Failure to meet agreed targets Adverse publicity Reputational damage Increased risk of flooding Reduction in house prices Carbon emissions increase Protests by lobby groups House price volatility e.g. increases in value for houses in areas less likely to flood 		<ul style="list-style-type: none"> Winchester Carbon Neutrality Action Plan approved Cross council officer group established Partner group to be established Climate Emergency declared Asset Management Strategy 	