

REPORT TITLE: Q4 GOVERNANCE MONITORING

29 JUNE 2022

REPORT OF CABINET MEMBER: CLLR POWER – CABINET MEMBER FOR
FINANCE AND VALUE

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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 during the fourth 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

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 members of the Executive Leadership Board (ELB) and Corporate Heads of Service. Owners of actions included in the internal audit reports that are referred to in this report have provided updates on the progress achieved.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 None arising from the content of the report, although 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 not making any decisions and is for noting and raising issues only

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required.

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 2022/23 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.

11 SUPPORTING INFORMATION:

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

Annual Governance Statement

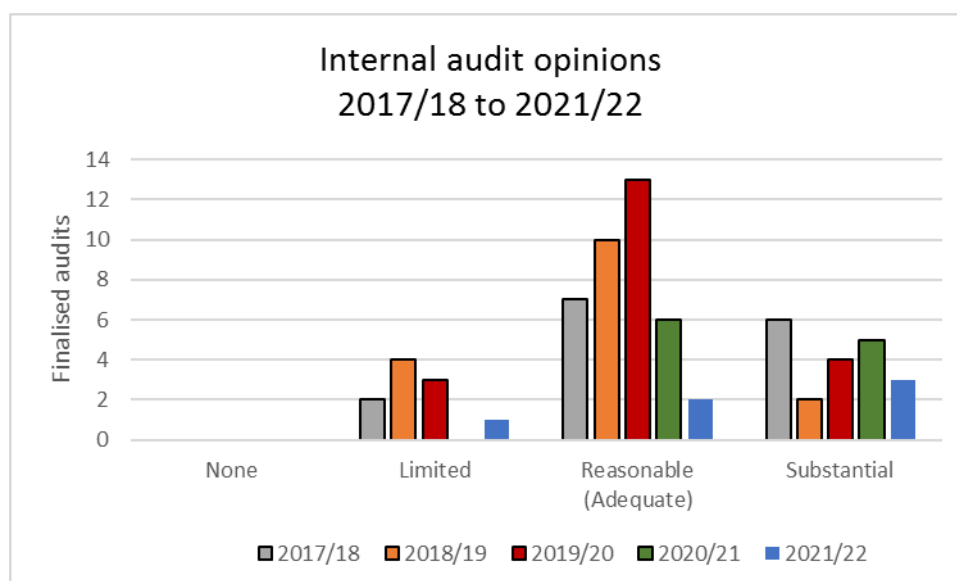
- 11.2 Progress against the actions included in the 2020/21 Annual Governance Statement is included in appendix 1 to this report.

Declarations of gifts and hospitality

- 11.3 During the period of 1 January 2022 to 31 March 2022 there were no declarations of gifts and hospitality made by Members or officers in accordance with the policy.

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.

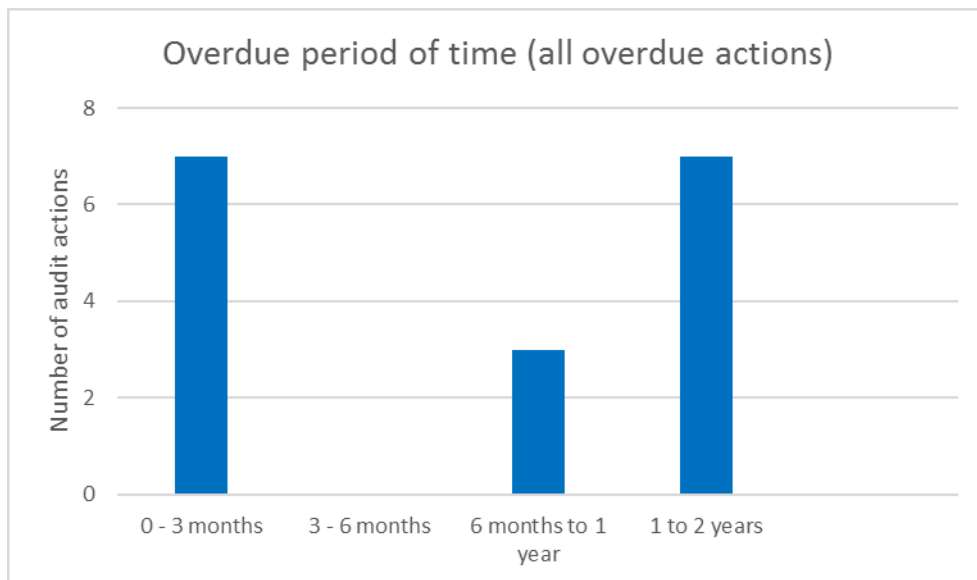
- 12.3 Since the last Audit and Governance Committee meeting on 8 March 2022 there have been no final audit reports issued however draft reports have been issued for the six remaining audits that were included in the approved 2021/22 audit plan. These reports will be issued once finalised. An update on the progress of these final reports will be provided in next quarterly governance monitoring report.
- 12.4 The Annual Internal Audit Report and Opinion 2021/22 which provides the Audit and Governance Committee with the Chief Internal Auditor's opinion on the adequacy and effectiveness of the council's framework of governance, risk management and control for 2021/22 will be included on the agenda for the next meeting of this committee on 21 July.
- 12.5 This report covers the final quarter of the 21/22 financial year and the Annual Internal Audit Report and Opinion replaces the quarterly Internal Audit Progress report that is normally appended to this report.

Internal Audit Management Tracking

- 12.6 Progress against the management actions included in the internal audit reports are regularly reviewed by corporate heads of service, service leads and Executive Leadership Board (ELB).
- 12.7 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.
- 12.8 During the time of the COVID-19 pandemic this had an impact on staff capacity with a number of staff actively supporting the council's response. For these reasons there has been some slippage in the completion due date of a number of audit actions.
- 12.9 To assist member's understanding an additional narrative is included in the table to provide a brief explanation of the progress being made against the overdue audit actions and the reasons for the delay in completion, including where the delay is caused by reduced staff capacity owing to the response to the COVID-19 pandemic.
- 12.10 There are currently 17 overdue audit actions with six being high priority. This is four actions more than were reported as overdue at the last meeting of the committee in March and these largely relate to the actions from the Disabled Facilities Grants audit for which an update is given in paragraph 12.14.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')					LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue			
Capital Programme & Monitoring	18/02/20	SDR	Reasonable	4 (0)	0 (0)	0 (0)	3 (0)	1 (0)			
Progress update: The one overdue action relates to the review and updating of the council's Asset Management Plan. The draft Asset Management Strategy is currently being prepared for consideration by Cabinet in September 22.										1	
Partnerships 19/20	09/09/20	SDR	Limited	12 (2)	0 (0)	0 (0)	7 (2)	5 (0)			
Progress update: Five overdue actions remain and these are being progressed by the Corporate Head of Economy and Community. Following a briefing to senior managers in November, work is ongoing with the support of partner lead officers including to understand who our partnerships are, how they are governed, the value they provide and the benefits they bring to the council and the communities of the Winchester district. The creation of a partnership performance reporting framework aligned to the Council Plan priorities and update of the partnership register including an annual assessment as to continued benefit / appropriateness will be reviewed in 2022/23 financial year.										5	
Building Control	24/09/20	SDR	Reasonable	10 (0)	0 (0)	2 (0)	7 (0)	1 (0)			
Progress update: One overdue outstanding action relating to carrying out a survey relating to KPI 06 owing to reduced management staffing within Building Control Team. This will be completed when staffing levels allow.										1	

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')					LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue			
Health and Safety 20/21	22/10/20	SDR	Reasonable	17 (4)	0 (0)	0 (0)	14 (3)	3 (1)			
Progress update: Good progress is now being made by the new Health and Safety Advisor with a further 4 actions having been completed since the last meeting of this committee on 8 March 2022. Further information is given in paragraph 12.11 below											1
IT Business Continuity & Disaster Recovery	06/07/21	SDR	Reasonable	4 (0)	0 (0)	0 (0)	1 (0)	3 (0)			
Progress update: There are three overdue actions, of which two relate to the undertaking an exercise to test disaster recovery scenarios which has been delayed owing to resources being diverted to support the council's response to COVID. The third action relates to a review of options for cloud storage which would IT disaster recovery. All three actions are actively being progressed with a BCP exercise being planned for November 2022.										3	
Disabled Facilities Grants	21/12/21	SDR	Limited	16 (0)	0 (0)	0 (0)	10 (0)	6 (5)			
Progress update: Work is ongoing to complete the audit actions and in particular the updating of the Disabled Facilities Grants Policy and Procedure. Discussions have taken place with other Hampshire local authorities on inclusion of other being included within the Policy brining consistency in approach. A further update is included in para 12.15										1	5



Health & Safety

- 12.11 Progress against the agreed management actions continues and since the last meeting of the committee four more actions included in the Health and Safety internal audit have been completed.
- 12.12 Quarterly Health and Safety monitoring reports are now being presented to Executive Leadership Board (ELB) for consideration and any significant immediate risks or concerns are being reported directly to ELB so that they can be responded to quickly.
- 12.13 Further progress achieved during the last quarter is as follows:
- Risk assessment reviews to be completed for all areas of the business by end June 2022.
 - H&S Advisor confirming in June with Service Leads in higher risk services that agreed work needed was achieved by end of May 2022.
 - Health & Safety Advisor working with all service leads to ensure Health & Safety risk assessments are embedded into business as usual and reviewed on a regular basis and that any significant risks are identified.
 - Health & Safety Advisor has been working with the Policy Team to update the Health & Safety homepage on the intranet. The new corporate intranet is anticipated to go live in June however the H&S home page and Knowledge Hub update for the new intranet is complete, with only most recent versions of documents included. A new easily accessible location on SharePoint on new intranet site has been agreed for the latest risk assessments to be displayed. This link will now be shared with all Service Leads to ensure that they transfer their risk assessments to this location.
- 12.14 Completion of the remaining overdue high-priority action is expected by the end of June and an update will be provided in the next quarterly governance monitoring report.

Disabled Facilities Grants

- 12.15 Progress against the agreed audit management action points arising from the internal audit review of disabled facilities grants continues including the reviewing and updating of the policy and procedures and ensuring that they are aligned with current practices.
- 12.16 Work has been ongoing since the outcome of the audit and a lot of work was completed by December 2021. The Private Sector Housing team then became aware new government guidance was being produced due for publication in February 2022 and would contain information on a new DFG grant limit and also how means tests were to be completed. This would have a huge impact on our policy so we took the decision not to finalise the policy and procedures until this guidance was available. Unfortunately, the launch of this guidance was delayed and it was not published until late March 2022. The content of the guidance had to be assessed and understood, hence the delay in finalising the policy. This has been exacerbated by high work load within the PSH Team. We plan to revisit this late June / early July as a team, to address the few changes that will need to be made to meet the new guidance.
- 12.17 Due to changing HCC practices this part of the policy is no longer relevant and will be reflected in the amended policies and procedures.
- 12.18 A new 'Process of Referral' document has been added to the new policy and procedures as an appendix.
- 12.19 In the new Disabled Facilities Grants policy an interim payment framework has been detailed which was agreed with colleagues in procurement.
- 12.20 An update to the list of approved contractors is currently being undertaken in consultation with Hampshire County Council's Strategic Procurement Team to establish a new list of contractors capable of undertaking DFG installation work for level access showers and general building works and should be completed by the end of July 2022.
- 12.21 Evidence of consultation with Housing Services going forward will be documented and the requirement incorporated into the new policy, in addition to a statement of rationale for any additional works should they be required.
- 12.22 The new policy and procedures set out how the grant will be processed with additional quick reference explanatory notes. The publication of the new Disability Facilities Grant Guidance in March 2022 has identified a slight change of focus of the grant to facilitate hospital discharges. This has been reflected in some of the referrals PSH have recently received for none standard DFG works. As a result a meeting has been arranged with the area representative from Foundations to gain some advice and guidance of how to manage these requests which need to be dealt with in a much timelier manner. The meeting is due to take place on 28/06/22 and following this and any adjustments required the policy will nearly be completed.

Information Governance – Records Retention 2020/21

- 12.23 Included in the Internal Audit Plan for 2020/21, a review was undertaken of information governance and in particular records retention. The final audit report was issued on 4 March 2022 and offered a limited opinion.
- 12.24 The audit set out to review the effectiveness of the council's records and retention policy and procedures ensuring they were defined, documented and maintained to guide staff and inform stakeholders in line with the requirements of the UK General Data Protections Regulations (UK GDPR).
- 12.25 There were a number of areas assessed where the current controls are working well and found to be effective and included the presence of an effective Information and Technology (IMT) Security and Conduct Policy being in place and the requirement for all staff to have signed it. Also that staff have access to training courses and material to promote their understanding of the requirements of their roles and responsibilities within data protection (GDPR) records retention. The audit also found that archived paper records are secured in a safe location with only appropriate personnel being able to access them.
- 12.26 However, the audit review also observed a number of areas where governance, risk management and controls could be improved. To mitigate these risks, management actions have been agreed and when completed will mitigate the identified risks.
- 12.27 Across six business areas 14 management actions have been agreed, of which four have been defined as being high priority. None of the actions were classed as being overdue at the end of the quarter 4 (31 March 2022) and two have already been completed.
- 12.28 **Retention and Disposal Policy** - The auditor observed that it was not possible to confirm when the current Retention and Disposal Policy was last updated or approved. Work has now commenced on reviewing and updating the Policy with a target date of the end of July for the Policy to be considered and endorsed by Executive Leadership Board (ELB) so that it may be published and guidance rolled out across the organisation.
- 12.29 Further actions relate to the archiving of records and documents and the procedures will be updated following endorsement of the updated Retention and Disposal Policy.
- 12.30 A number of actions relate to the retention of records stored within the business systems that the council uses on a daily basis with the overarching aim of mapping and aligning the retention schedule to content and indexing of records in these systems and in particular the council's corporate document management system; SharePoint. This council-wide exercise will include multiple systems and take several months to complete and has a target date of early 2023.

- 12.31 Updates on the progress achieved against the actions will be provided to future meetings of this committee until all the actions have been completed.

Risk Management

- 12.32 The council's Risk Management Policy 2022/23 sets out a timetable for this committee to review the policy and corporate risks (section 11 of the Risk Management Policy). At its meeting on 8 March 2022 the committee reviewed and gave comments to the Cabinet Member on the Risk Management Policy and Corporate Risk Register for 2022/23. The Q1 22/23 Governance Monitoring report will provide the committee with an update on Risk Management and the Corporate Risk Register.
- 12.33 A Risk Management workshop has been arranged for Cabinet and members of Audit and Governance Committee for 14 July 2022.

Code of Conduct Complaints

- 12.34 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.
- 12.35 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.

13 OTHER OPTIONS CONSIDERED AND REJECTED

- 13.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

AG068 Governance Monitoring Quarterly update Q3 2021/22, 8 March 2022

Other Background Documents:-

None.

APPENDICES:

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

Appendix 2 – Code of Conduct complaints

Annual Governance Statement 2020/21 – Action Plan update – June 2022

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	Initial partnership register is complete. Second stage review of documentation due to be completed during the summer of 2022.	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 and will be completed during the summer of 2022.	Corporate Head of Engagement	September 2020	RED
		Complete Partnership Working Guide for Managers	Partnership Working Guide for managers has been produced and presented to ELB for approval and is now signed off.	Corporate Head of Engagement	September 2020	COMPLETE
3.	Equality Impact Assessments (EqIA) reviewing the current arrangements in place to enable the council to meet the requirements of the Equalities Act 2010	Review and update current EqIA policy, guidance and templates and brief out to staff ensuring that the council meets the requirements of the Equalities Act 2010	Refreshed EqIA policy presented to ELB on 10 November alongside action plan and template. The updated Policy was considered by this Committee on 16 December 2021 before being adopted by cabinet on 25 January 2022. Training workshops held for members and officers during March.	Service Lead – Legal	30 September 2021	COMPLETE

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 **31 March 2022**.

Date contact first made with Monitoring Officer	Complaint against district or parish/town councillor	Details
30 September 2020	District Councillor	Complaint received 30 September 2020 though insufficient information to progress initially. Resolved and progressed/investigated. Hearing must now be progressed - complainant had been unable to attend due to personal circumstances for several months.
5 October 2020	Parish Councillors	Complaint withdrawn and resubmitted 5 October 2020 – further, extensive complaints received over several months. Investigation report finalised and has been reviewed by the IP. Next step release to Parish Council – DPA implications need consideration.
11 February 2021	District Councillors	Recommendation received from Independent Person – to complete report.
8 September 2021	Parish Councillor	Under review by Monitoring Officer (previously heard by Standards Sub-Committee).
8 November 2021	Entire Parish Council	Under assessment by Monitoring Office (Independent Person advice received). Under assessment by Monitoring

Date contact first made with Monitoring Officer	Complaint against district or parish/town councillor	Details
13 November 2021	Parish Councillor	Office. (Independent Person advice received).
24 January 2022	City Councillor	Under assessment by Monitoring Office. (Independent Person advice sought).
28 January 2022	Parish Councillors	Under assessment by Monitoring Office. (Independent Person advice sought).
1 February 2022	City/Parish Councillors	Under assessment by Monitoring Office. . (Independent Person advice sought).
18 February 2022	Parish Councillor	Under assessment by Monitoring Office.
17 March 2022	Parish Councillor	Under assessment by Monitoring Office.

B. Issues raised and discussed with the office of the Monitoring Officer since the previous meeting of Audit & Governance Committee - as at 31 March 2022.

	Number of issues raised	Comments
City Councillors	3 issues raised by email or phone	None have led to receipt of complaint to date.
Parish/Town Councillors	4 issues raised by email or phone	None have led to receipt of complaint to date.