

REPORT TITLE: Q1 AND Q2 GOVERNANCE MONITORING

10 NOVEMBER 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 first and second quarter of the 2022/23 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 the Cabinet member for Finance and Value and 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 against the agreed management actions.

### 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. Members should note the related agenda item at this meeting 'Risk Management Strategy – Review AG087.'

## 11 SUPPORTING INFORMATION:

11.1 This report sets out the summary information in respect of the first quarter of the 2022/23 financial year concerning governance.

### ***Annual Governance Statement***

11.2 Progress against the actions included in the 2021/22 Annual Governance Statement is included in appendix 1 to this report.

### ***Declarations of gifts and hospitality***

11.3 During the period of 1 April 2022 to 30 June 2022 there was the following declaration of gifts and hospitality made by officers in accordance with the policy:

- 20 May 2022: 4 boxes of chocolates and 1 tin of biscuits

11.4 During the period 1 July 2022 to 30 September 2022 there were the following

- 27 July 2022: A bunch of flowers, tin of biscuits and card
- 26 August 2022: A bunch of flowers, box of biscuits and card

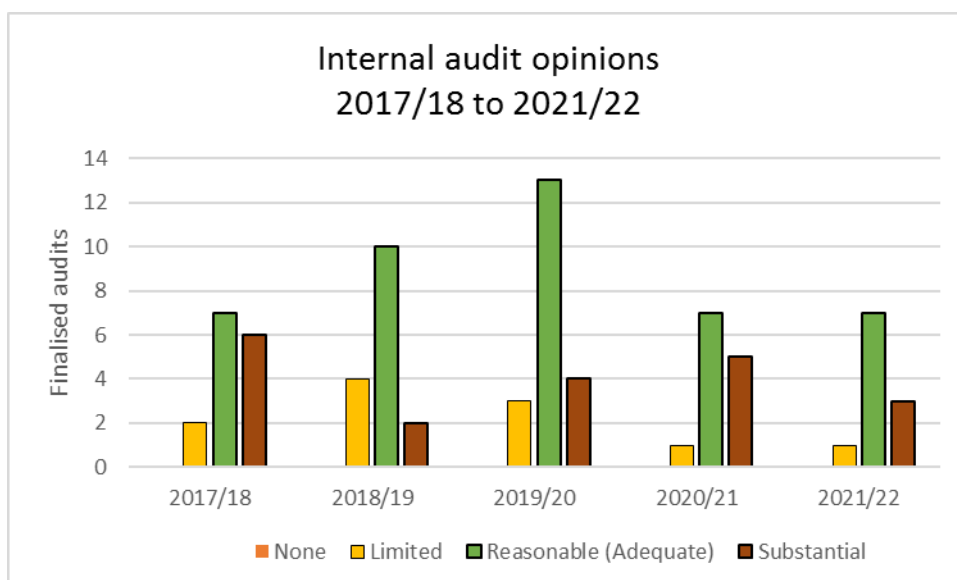
11.5 Members regularly update their register of interest forms and during the period of 1 July 2022 to 30 September 2022 the following declaration of gifts or hospitality over the value of £50 was recorded in accordance with the policy:

- 11 August 2022: Day ticket to 'Foodies Festival'

11.6 There were no declarations by members recorded during the period 1 April 2022 to 30 June 2022.

## 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; 2022/23.



- 12.2 There have been no published audit reports that concluded with a 'no assurance' opinion.
- 12.3 Since the Q4 21/22 Governance Monitoring report was presented to Audit and Governance Committee on 29 June 2022 there has been five internal audit reports finalised and issued before the 30 September:
- IT incident and problem management (reasonable assurance)
  - Human Resources – staff benefits (reasonable assurance)
  - Housing leasehold management (reasonable assurance)
  - Cyber Security (reasonable assurance)
  - Programme and Project Management (reasonable assurance)

#### ***Internal Audit Management Tracking***

- 12.4 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).
- 12.5 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 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.

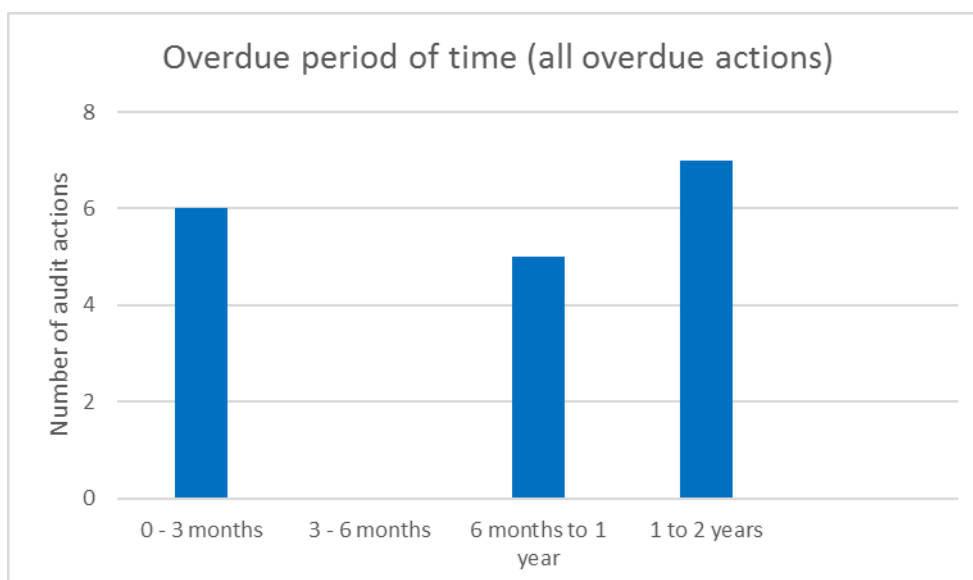
- 12.7 There are currently 18 overdue audit actions with 5 being high priority. This is one action more than was reported as overdue at the last meeting of the committee on 29 June 2022.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')					LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue			
<b>Partnerships 19/20</b>	09/09/20	SDR	Limited	12 (2)	0 (0)	0 (0)	7 (2)	5 (0)			
<p><b>Progress update:</b> Five overdue actions remain and these are being progressed by the Corporate Head of Economy and Community.</p> <p>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.</p>										5	
<b>Building Control</b>	24/09/20	SDR	Reasonable	10 (0)	0 (0)	2 (0)	7 (0)	1 (0)			
<p><b>Progress update:</b> One overdue outstanding action relating to carrying out a survey relating to KPI 06 which is due to reduced management staffing within Building Control Team. This will be completed when staffing levels allow.</p>										1	
<b>Health and Safety</b>	22/10/20	SDR	Reasonable	17 (4)	0 (0)	0 (0)	16 (3)	1 (1)			
<p><b>Progress update:</b> Good progress has been made by the Health and Safety Advisor with a further 4 actions having been completed since the last meeting of this committee on 29 June 2022.</p> <p>Further information is given in section 12 below</p>											1

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')					LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue			
<b>Capital Programme &amp; Monitoring</b>	18/02/21	SDR	Reasonable	4 (0)	0 (0)	0 (0)	3 (0)	1 (0)			
<p><b>Progress update:</b> The one overdue action relates to the review and updating of the council's Asset Management Plan. The draft Asset Management Strategy will be presented to Cabinet on 14 December for consideration and adoption.</p>										1	
<b>IT Business Continuity &amp; Disaster Recovery</b>	06/07/21	SDR	Reasonable	4 (0)	0 (0)	0 (0)	1 (0)	3 (0)			
<p><b>Progress update:</b> 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 previously diverted to support the council's response to COVID. The third action relates to a review of options for cloud storage which would support IT disaster recovery.</p> <p>All three actions are actively being progressed with a Business Continuity exercise being planned for November 2022.</p>									1	2	
<b>Disabled Facilities Grants</b>	21/12/21	SDR	Limited	16 (0)	0 (0)	0 (0)	15 (0)	1 (1)			
<p><b>Progress update:</b> Work is largely completed in respect of the audit actions and in particular the updating of the Disabled Facilities Grants Policy. Following advice from Foundations (The National Body for Home Improvement Agencies in England) and advisory body to the government, the DFG procedural element has been stripped out and will become a separate document, with the draft DFG Policy 2022 -25 becoming the public facing document. The new draft Disabled Facilities Grant Policy 2022-2025 is to be presented to the BHP committee on 29/11/2022</p>											1

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Actions ('High Priority')					LOW	MEDIUM	HIGH
				Reported	Not Accepted	Pending	Cleared	Overdue			
<b>Information Governance - Records Retention</b>											
	03/03/22	SDR	Limited	14 (4)	0 (0)	3 (0)	5 (1)	6 (3)			
<b>Progress update:</b> The overdue high priority actions relate to the adoption of an updated Records Retention and Disposal policy and the subsequent roll out across the organisation. Further detail is provided in paragraph 12.14. below									1	2	3





### ***Health & Safety***

- 12.8 Good progress has been made towards completion of the remaining overdue high-priority action (risk assessment reviews), with the majority of service areas having completed their reviews.
- 12.9 However, in several higher risk service areas, work to complete the reviews and identify any changes required, is still ongoing. This includes some specialist legally required health risk assessments in Environmental Services, which require additional resource to complete. The target for completion of this health risk assessment work is end January 2023.
- 12.10 Due to the volume and complexity of risk assessments in these higher risk service areas, the work to review and fully identify all risk control measures is likely to continue until end March 2023. Additional resource has been approved to support this work.

Changes to the health and safety information and guidance on the intranet have been prepared and will be communicated to all service leads as soon as the new intranet goes live at the end of November and includes a new location for all service area risk assessments

### ***Disabled Facilities Grants***

- 12.11 Progress against the agreed audit management action points arising from the internal audit review of disabled facilities grants is largely complete including the reviewing and updating of the Disabled Facilities Grant (DFG) Policy which will become the public front facing document. The draft DFG Policy 2022-25 is to be presented at the Business and Housing Policy Committee meeting on 29 November 2022.
- 12.12 The DFG procedures document is also in the process of being updated for internal staff usage to ensure that it is aligned with current practices.

- 12.13 An update to the list of approved contractors has been completed in liaison with Hampshire County Council through a formal tendering and evaluation process. As a consequence seven contractors capable of undertaking DFG installation work for level access showers and general building works have now been appointed.

#### ***Information Governance – Records Retention 2020/21***

- 12.14 As part of the audit covering Information Governance, 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 been completed on reviewing and updating the Policy and will be considered at Executive Leadership Board for endorsement before the end of December.
- 12.15 Work has now commenced on preparing guidance for staff and will be rolled out in the early part of 2023.

#### ***Programme and Project Management***

- 12.16 Included in the Internal Audit Plan for 2021/22, a review was undertaken of the council's programme and project management. The final audit report was issued on 16 September 2022 and offered a reasonable assurance.
- 12.17 Members should also be aware of the earlier audit review completed in May 2021 that focussed on arrangements for project reporting to the Programme and Capital Strategy Board and offered substantial assurance.
- 12.18 The scope of the Programme and Project Management audit was to include the overall project management environment/ framework and to review a small sample of projects from across all tiers (1-4) from the list of projects reported to the Programme and Capital Strategy Board. The review sought to establish the methodologies being used to manage projects at different levels of profile/ risk, and the level of understanding and consistency in project management across the organisation.
- 12.19 There were a number of areas assessed where the current controls are working well and found to be effective and this is reflected in the reasonable assurance opinion.
- 12.20 However, the audit review also observed a number of areas where programme and project management could be improved including a review of the current project management methodology to ensure a consistent approach across all projects at all levels.
- 12.21 A review of the current programme and project methodology has been completed by officers and will be presented to Executive Leadership Board for consideration before the end of December. A draft of the document has been circulated for review to project managers and their comments have been incorporated into the document.

12.22 Once approved, officers will communicate to all officers who manage projects guidance and offer support through the early part of 2023.

### ***Risk Management***

12.23 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). The Corporate Risk Register reviewed is attached at Appendix 4. This was last reviewed by Executive Leadership Board (ELB) on 14 September 2022.

12.24 ELB considered that all strategic risks were still relevant and made the following updates in Q2:

- a) CR001 – capacity is reduced and some professional areas are finding it increasingly challenging to attract good calibre staff. It was therefore considered appropriate to increase the residual likelihood from 'highly unlikely' to 'unlikely' meaning an overall change from a green residual risk to an amber. The controls for this risk are being reviewed
- b) CR003 – the residents' survey has been carried out in 2022 and the current controls were updated to reflect this.

The risk owner was updated to the Interim Head of Legal Services to reflect recent organisational changes

- c) CR004 – Business Continuity plans have been tested and updated in 2022 and the current controls have been updated to reflect this

This risk owner was updated to the Chief Executive to reflect recent organisational changes

- d) CR006 – the council's Programme and Capital Board are reviewing the corporate approach to partnership working and this corporate risk will be updated in due

- e) CR007 – to reflect the current turbulent economic situation, the likelihood was raised from 'unlikely' to 'likely' resulting in an overall change of the residual risk from amber to red.

An additional control of a Strategic Budget review mid-year 22/23 was added.

- f) CR008 – the following were added to the 'what might go wrong' (cause) column;

- Increasing infrastructure demands on new sites;
- Higher build costs;
- Increasing inflation and interest rates affecting supply

Increasing homelessness was added to the 'what might happen' (consequence column) and cost benchmarking added as an additional control.

- g) CR009 – This risk owner was updated to the Corporate Head of Finance to reflect recent organisational changes

Given the national cyber security threat it was felt that the residual likelihood had increased from 'highly unlikely' to 'unlikely' resulting in an overall change of the residual risk from green to amber. ELB noted that whilst cyber insurance is currently in place, this may be unaffordable at the next renewal in early November.

- h) CR010 – increased risk of droughts was added to the 'what will consequence column

12.25 Unless stated above, the original and residual risk ratings were considered to be appropriate and the causes, consequences and controls for each risk sufficient at the time of the review.

12.26 In terms of potential new and emerging risks, the Institute of Risk Management (IRM) have highlighted five key areas for 2022:

- Geopolitical uncertainty and instability
- Inflation
- The mixed pace of global post-pandemic recovery
- The changed relationship with the workforce
- Environmental, Social, and Governance (ESG)

These key areas are included within the Corporate Risk Register and ELB and Corporate Heads of Service continue to manage and monitor Strategic and Operational risks being cognisant of the above.

12.27 A new risk related to the national security threat was considered but not deemed necessary at the current time.

12.28 Of the 76 Operational Risks managed by corporate heads of service, 4 of these were presented to ELB in Q1 for review as residual 'red' risks. ELB considered that these did not need escalating to the Corporate Risk Register at and that the controls in place were sufficient and proportionate but these continue to be monitored closely.

12.29 An externally facilitated risk management workshop for members of Cabinet and Audit and Governance Committee took place on 14 July 2022. Please see elsewhere on this committee's agenda report AG087 - Risk Management Strategy – Review' which includes the resulting action areas from this workshop. ELB have also requested that they have refresher risk

management training added to the Risk Management Strategy Review Action Plan and this will be arranged.

### ***Code of Conduct Complaints***

- 12.30 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.
- 12.31 Appendix 3 provides brief details of the Code of Conduct complaints received, in progress and closed and where enquiries have been made to the Office of the Monitoring Officer.

## 13 OTHER OPTIONS CONSIDERED AND REJECTED

- 13.1 None

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

AG078 Governance Monitoring Quarterly update Q1 2021/22, 29 June 2022

#### Other Background Documents:-

None.

### APPENDICES:

Appendix 1 – Annual Governance Statement 2021/22 – progress update

Appendix 2 – Internal Audit Progress Report

Appendix 3 – Code of Conduct complaints

Appendix 4 – Corporate Risk Register

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

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
1.	<b>Records Retention and Disposal</b> – ensuring that the Records Retention and Disposal Policy and Schedule are refreshed and embedded into the organisation so that records are stored in accordance with the agreed schedule.	Review and update Retention and Disposal Policy and Schedule, endorsed by ELB and agreed roll-out plan	Refresh of Retention and Disposal Policy completed and report for ELB consideration being prepared.	Senior Policy and Programme Manager	July 2022	In progress
		Map and align retention schedule to content/ indexing and values in business systems	Retention schedule being considered in line with implementation of upgrade to SharePoint and Microsoft 365.	Senior Policy and Programme Manager/ Corporate Heads of Service	October 2022	In progress
		Retention schedule implementation and application across business systems	Implementation of retention schedule to applied to upgrade of SharePoint due to take place early in 2023.	Senior Policy and Programme Manager/ Head of IT	March 2023	In progress
2.	<b>Programme and Project Management</b> – ensuring consistency in the approach and methodology across the council for managing and delivering successful programmes and projects	Agree a corporate project management approach and methodology that defines the existing framework	Programme and project methodology reviewed and updated and draft to be considered at Executive Leadership Board (ELB) in December.	Senior Policy and Programme Manager	July 2022	In progress
		Publish guidance for all project managers to that explains the methodology to support the successful management and delivery of projects	Guidance and support given to project managers in line with the revised methodology which will be published on the intranet once approved by Executive Leadership Board.	Senior Policy and Programme Manager	August 2022	In progress

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
		Arrange and hold training events to embed the methodology throughout the council	Training programme under development and will be provided early 2023	Senior Policy and Programme Manager	December 2022	In progress
3.	<b>Disabled Facilities Grants</b> – ensuring the operational procedures and policy meet statutory requirements and roles and responsibilities clearly defined	List of approved contractors updated in consultation with Hampshire County Council	Procurement process procedure for new contractors completed in liaison with Hampshire County Council and 7 contractors appointed to the list.	Private Sector Housing Senior Officer	July 2022	<b>Complete</b>
Review and update Disabled Facilities Grants Policy and operational procedures		Update to new draft DFG Policy 2022-2025 complete and updates have taken into consideration advice from Foundations the National Body for Home Improvement Agencies in England.  New draft policy to be presented to Business and Housing Policy Committee on 29 November.	Private Sector Housing Senior Officer DFG	September 2022	<b>Complete</b>	
Embed updated policy into the operational procedures for managing disabled facility grants		This action will be completed once the new draft DFG policy is eventually signed off	Private Sector Housing Senior Officer	Early2023  This action will be completed once the new draft DFG policy is eventually signed off	In progress	

## Internal Audit Progress Report 2022/23

30 September 2022

Winchester City Council



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**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:

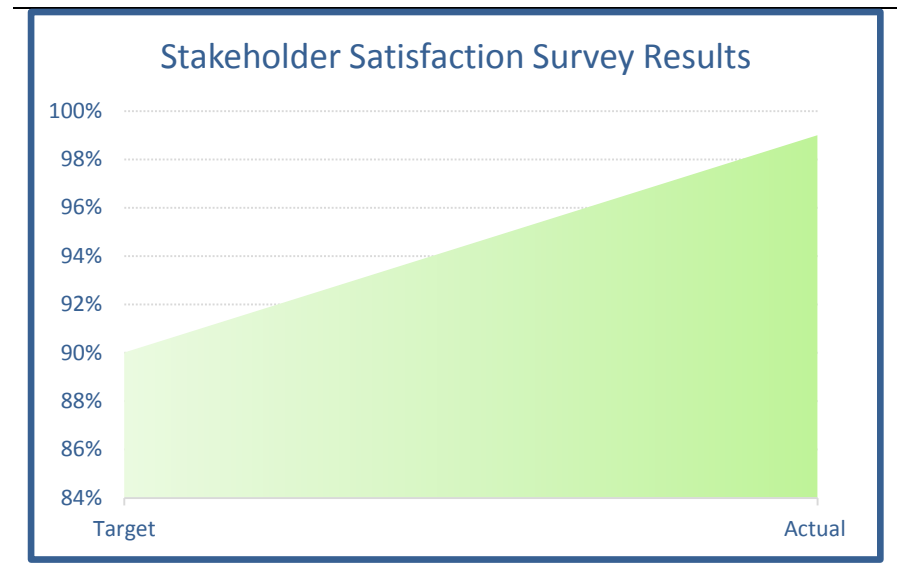
- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

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:

<b>Substantial</b>	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.
<b>Reasonable</b>	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.
<b>Limited</b>	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.
<b>No</b>	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
Working in Partnership	Sep 20	SDR	Limited **	12	0	7		5	
Building Control	Sep 20	SDR	Reasonable	10	2	7		1	
Health and Safety	Oct 20	SDP	Reasonable	17	0	16			1
Capital Programme and Monitoring	Feb 21	SDS	Reasonable	4	0	3		1	
ICT Business Continuity and Disaster Recovery Planning	Jul 21	SDR	Reasonable	4	0	1	1	2	
Disabled Facilities Grants	Dec 21	SDS	Limited	16	0	15			1
Information Governance – Records Retention	Mar 22	SDR	Limited	14	3	5	1	2	3
Cyber Security *	Mar 22	SDR	Reasonable	9	0	9			
Human Resources – Employee Wellbeing	Jun 22	SDR	Reasonable	2	2	0			
IT Incident and Problem Management *	Jun 22	SDR	Reasonable	2	0	2			
Housing - Leaseholder Management	Jun 22	SDS	Reasonable	6	2	4			
Programme & Project Management	Sep 22	SDR	Reasonable	12	11	1			
<b>Total</b>							<b>2</b>	<b>11</b>	<b>5</b>

\* 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)	
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

To date, there have been no audits which have concluded with a ‘limited’ or ‘no’ assurance opinion during 2022-23.

## 6. Planning & Resourcing

The internal audit plan for 2022-23 was approved by the Council’s Management Team and the Audit and Governance Committee in March 2022. 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	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
<b>Brought Forward – Included within 2021-22 annual report and opinion</b>								
Economic Development – High Streets Priority Plan	SDP	✓	✓	✓	May 22		n/a	Consultancy / Position Statement
Winchester Sport and Leisure Park and Meadowside Leisure Centre - Contract Management	SDP	✓	✓	✓	May 22		Reasonable	

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Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
User Lifecycle & Access Management	SDR	✓	✓	✓	June 22		Reasonable	
IT Asset Management	SDR	✓	✓	✓	July 22		Reasonable	
<b>2022-23</b>								
<b>Strategic / Governance Reviews</b>								
Programme & Project Management	SDR	✓	✓	✓	Aug 22	Sep 22	Reasonable	
Financial Stability – Budget Monitoring	SDR	✓	✓	✓				
Energy Management / Climate Emergency / Green Agenda / Air Quality	SDP							Q3
Digital Strategy	SDR							Q4
Asset Management (Corporate Estate)	SDP							Q3-4
Working in Partnership / Alternative Delivery Models	SDR							Q3
Health & Safety	SDP	✓	✓	✓				
Procurement	SDR							Q4
Contract Management	SDR							Q3-4
Information Governance – FOI/SAR	SDR	✓						
Corporate Governance Framework & Complaints	SDR	✓	✓	✓	Sep 22			
Fraud Framework - NFI	SDR	n/a	n/a	✓				Q1-4
Human Resources – Policies and	SDR	✓						

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Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Procedures								
Recruitment	SDR							Q4
<b>Core Financial Systems</b>								
NNDR	SDR	✓	✓	✓				
Housing Rents	SDR							Q3
Council Tax	SDR	✓						
Accounts Payable	SDR	✓	✓	✓				
Main Accounting and Reconciliations	SDR							Q3
Payroll	SDR	✓	✓	✓				
<b>Information Technology</b>								
IT Governance – Mobile Device Management	SDR							Q3-4
Cyber Security – IT Response Planning	SDR	✓	✓					
<b>Service / Operational Reviews</b>								
Housing and Homelessness - Tenancy Support Scheme	SDS							Q3
Housing Asset Management – Responsive Repairs	SDS	✓	✓	✓				
Disabled Facilities Grants – Follow-up	SDS							Q4
Planning / Development Management	SDS	✓	✓	✓		Aug 22		
Open Spaces / Tree Management	SDP							Q3



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Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Licensing	SDS							Q3-4
Markets	SDP							Q4
<b>Certification Audits</b>								
Bus Service Operator Grant	SDS	✓	n/a	✓	n/a	Aug 22	n/a	Grant certified
Mayor's Charity Account	SDS	✓	n/a	✓	n/a	Sep 22	n/a	Certification audit.

**Annex 1 - Adjustments to the plan**

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

<b>Audit reviews removed from the plan (excluded from rolling work programme)</b>	<b>Comment</b>
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.

<b>Substantial</b>	A sound framework of internal control is in place and operating effectively. No risks to the achievement of system objectives have been identified
<b>Adequate</b>	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
<b>Limited</b>	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
<b>No</b>	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 September 2022**.

<b>Date contact first made with Monitoring Officer</b>	<b>Complaint against district or parish/town councillor</b>	<b>Details</b>
Sept 2020	District Councillor	Complaint received 30 September 2020 though insufficient information to progress and further corporate complaints received. Resolved in 2021 and code of conduct complaint investigated. Complainant had been unable to attend due to personal circumstances for several months. Hearing programming delayed and must now be progressed.
October 2020	Parish Councillors	Complaint withdrawn and resubmitted 5 October 2020 – further, extensive complaints received over several months, further complaints refused. Finalised Investigation report and appendices being reviewed by the IP. IP and MO meeting early November. Data Protection Officer consulted in respect of implications of publication. Next step release to Parish Council and complainants external to the Parish Council.
March 2021	District Councillors	Draft report completed and recommendation received from Independent Person. Draft report

<b>Date contact first made with Monitoring Officer</b>	<b>Complaint against district or parish/town councillor</b>	<b>Details</b>
April 2021	Parish Councillor	to be sent to complainants for Maxwellisation stage.
Nov 2021	Parish Councillor	Draft report completed. Due diligence checks being undertaken before issue of report.
January 2022	City Councillor	Draft report completed. Due diligence checks being undertaken before issue of report.
January 2022	City Councillor	Closed May 2022
January 2022	Parish Councillors	Reviewed by Monitoring Officer as care and conduct reallocated. Additional information requested from Parish Clerk. Deadline for reply 10/11.
February 2022	City/Parish Councillors	Under review by Monitoring Officer as care and conduct reallocated.
February 2022	Parish Councillors	Under review by Monitoring Officer Office as care and conduct reallocated meeting with Parish Councillors arranged for November
March 2022	Parish Councillors	Under review by Monitoring Officer Office as care and conduct reallocated. Subject member responses now collated.
June 2022	Parish Councillor	Complaints with subject member for response.

Date contact first made with Monitoring Officer	Complaint against district or parish/town councillor	Details
June 2022	City Councillors	Matter resolved as issue related to IT technical issue. All parties advised. Case closed.
June 2022	Parish Councillor	Monitoring Officer has a telephone call booked with Parish Councillor
July 2022	Parish Councillor	Complaint with Subject Members for response
Sept 2022	City Councillor	Response received from subject member – awaiting assessment by MO.
Sept 2022	Parish Councillor	Subject member requested to speak with MO. Call booked.
Sept 2022	City Councillor	Response received from subject member - Under assessment by the MO

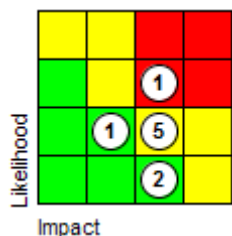
B. Issues raised and discussed with the office of the Monitoring Officer since the previous meeting of Audit & Governance Committee - as at 30 September 2022.

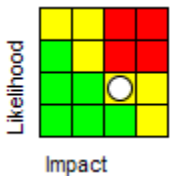
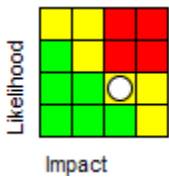
	Number of issues raised	Comments
<b>City Councillors</b>	4 issues raised by email or phone	4 complaints received
<b>Parish/Town Councillors</b>	3 issues raised by email or phone	1 complaint received to date

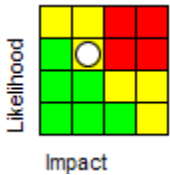
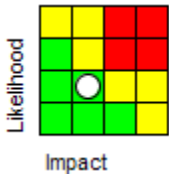
# Corporate Risk Register 2022/23

As of 14 September 2022

## Residual risk summary overview:

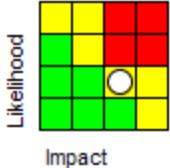
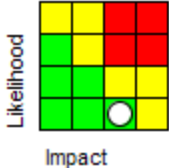
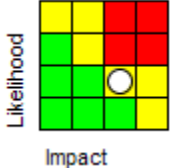
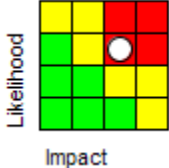


Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	<ul style="list-style-type: none"> <li>• Ambitious council plan with multiple strands of activity</li> <li>• Staff resources are lean and teams are working at capacity to deliver services at current levels of demand</li> <li>• 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 affected by the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>• If decision making is slow, delays occur and potentially available resources are redeployed or become unavailable if they are externally sourced</li> <li>• Implementation of business continuity plan to target work in critical areas in cases of staff shortage</li> <li>• If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities</li> </ul>		<ul style="list-style-type: none"> <li>• Council Plan is distilled into key priorities by service. If capacity becomes an issue, prioritisation of activity is in place</li> <li>• Critical activities are currently reviewed with Cabinet alongside a refresh of the Council Plan</li> <li>• Checks in place to ensure proactive approach to communications internal and external</li> <li>• Flexible working arrangements to enable staff to balance home/work commitments</li> </ul>	

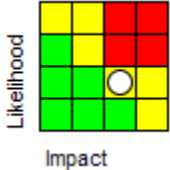
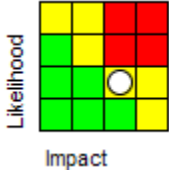
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
			<ul style="list-style-type: none"> <li>• Cultural desire to 'go the extra mile' leading to additional strain on resources and potential errors</li> <li>• Competition from the private sector for key staff roles e.g., planning, project management</li> <li>• Officers not sensitive to the political reality and perhaps focus on 'old' priorities</li> <li>• Decision making can be slow,</li> <li>• Middle management too rule driven and need to be more responsive</li> <li>• Reluctance to "just do it"</li> <li>• Tension between day-to-day and strategic priorities</li> <li>• Key skills not in the right place</li> </ul>	<ul style="list-style-type: none"> <li>• If staff are diverted then can't deliver on other lower-level priorities or day-to-day things</li> <li>• Reputation is damaged as the council is not seen to be able to complete projects</li> <li>• Local members are not always kept informed of activity in their area</li> <li>• Unable to deliver key council services</li> </ul>		<ul style="list-style-type: none"> <li>• Maintaining communication</li> <li>• Annual Service Planning</li> <li>• Regular meetings with relevant cabinet members</li> <li>• Positive use of fixed term contracts to aid flexible resourcing</li> <li>• Targeted use of external resource</li> <li>• Reallocation of human and financial resources across and within the organisation as required</li> <li>• GOLD command review resources on a regular basis</li> </ul>	
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	Interim Head of Legal Services	<ul style="list-style-type: none"> <li>• Lack of skill to identify evidence to support decision making</li> <li>• Lack of consultation with ward members and/ or parish council's over local issues</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a robust and evidence-based approach to customer engagement can lead to: Reputational damage Views that the council is too Winchester-centric</li> <li>• That decisions made are</li> </ul>		<ul style="list-style-type: none"> <li>• Consultation with ward and parish councillors (on matters within their ward or parish)</li> <li>• Risks with regard to significant projects are recognised and addressed separately via robust</li> </ul>	

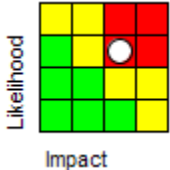
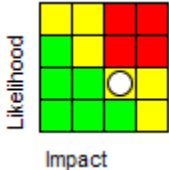
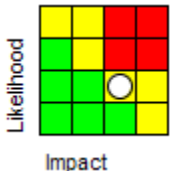


Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
	errors		<ul style="list-style-type: none"> <li>• Procedural error in statutory process</li> <li>• Inconsistent and traditional approach to customer engagement across the council</li> <li>• Lack of awareness of the questions to ask</li> <li>• Lack of awareness of the 'right time' to engage</li> <li>• Lack of public awareness of the opportunity to engage</li> <li>• Council is not aware of the full range of interested stakeholders</li> <li>• Council may only hear the loudest voices and not the silent majority or those that do not readily engage</li> </ul>	<p>Inequitable</p> <ul style="list-style-type: none"> <li>• There is a perception that people's views are ignored</li> <li>• Without a robust and evidence-based engagement process the council is exposed to risk of challenge on decisions</li> <li>• Ward members and/or parish council's not being informed</li> <li>• Legal/ judicial review or challenge against a decision made</li> </ul>		<p>Project Management and regular reports to the Programme and Capital Strategy Board</p> <ul style="list-style-type: none"> <li>• Legal and Monitoring Officer consultation on decisions made</li> <li>• Residents' survey completed 2022</li> <li>• A we asked ... you said ... we did feedback approach</li> <li>• A council wide data capture exercise completed</li> <li>• Comms approach reset to simplify language and remove jargon</li> <li>• Move to proactive openness and transparency</li> <li>• A more inclusive approach to engagement that also considers the restrictions in place due to the pandemic</li> </ul>	
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	<ul style="list-style-type: none"> <li>• Not maintaining an effective corporate wide Business Continuity Plan</li> <li>• Not regularly testing of plan and follow-up</li> <li>• Key staff unavailable</li> <li>• Communication systems ineffective</li> <li>• Lack of awareness</li> <li>• Failure to assess</li> </ul>	<ul style="list-style-type: none"> <li>• Unacceptable delay and uncertainty in returning to normal working after an emergency</li> <li>• Adverse publicity and criticism</li> <li>• Reputation damage</li> <li>• Adverse social impact</li> </ul>	<p>Likelihood</p> <p>Impact</p>	<ul style="list-style-type: none"> <li>• Business Continuity Plans reviewed and tested in 2022</li> <li>• Annual testing of IT Disaster Recovery Plan</li> <li>• Critical services identified with individual business continuity plans</li> <li>• Back up temporary office accommodation at Hyde Lodge</li> </ul>	<p>Likelihood</p> <p>Impact</p>

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
			business critical functions and have plans in place			<ul style="list-style-type: none"> <li>All staff able to seamlessly work from home, where job allows</li> <li>Recent (2020) internal audit resulting in substantial opinion and no identified weaknesses</li> </ul>	
CR006	Effective partnership working	Strategic Director DA	<ul style="list-style-type: none"> <li>Partnerships can falter due to lack of shared vision within partnerships</li> <li>Strategic partnerships may falter due to conflicting demands within individual partners</li> <li>Failure within procurement process</li> <li>Partnerships may be unsuccessfully commissioned due to lack of procurement skills and poor scoping</li> <li>Significant local, regional or national partners may close down, affecting council</li> </ul>	<ul style="list-style-type: none"> <li>Significant project delivery such as the major projects and the new home building programme may fail due to failure of strategic partnerships</li> <li>Local delivery may fail if local strategic partners are not aligned</li> <li>Reputational damage to all partners</li> </ul>		<ul style="list-style-type: none"> <li>Annual review of all partnerships undertaken to identify key strategic partners</li> <li>Introduction of annual performance reporting for significant partnerships</li> </ul>	
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability	Strategic Director and S151 Officer RB	<ul style="list-style-type: none"> <li>Reduced Government funding</li> <li>Reliance on strategic partners to deliver services and projects</li> <li>Macro economy,</li> </ul>	<ul style="list-style-type: none"> <li>Unable to balance the budget</li> <li>Increased Council Tax</li> <li>Public's ability to pay for services</li> <li>Reduce services provided</li> </ul>		<ul style="list-style-type: none"> <li>Strategic Budget review mid-year 22/23</li> <li>One year funding settlement in place</li> <li>MTFS approach setting out medium and longer term</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
	to achieve a balanced budget		<ul style="list-style-type: none"> <li>including effects of Brexit, reduces locally generated Business Rates and parking income</li> <li>• Failure to achieve income targets</li> <li>• Inflation rises</li> <li>• Penalties are imposed on the Council due to falling standards in services</li> </ul>	<ul style="list-style-type: none"> <li>• Demand/cost of services</li> <li>• Increased construction costs and impact on delivery and viability of key projects</li> <li>• Over borrowing and avoidable cost</li> </ul>		<ul style="list-style-type: none"> <li>options</li> <li>• Quarterly finance reporting and monitoring of key income sources</li> <li>• Regular policy review and monitoring</li> <li>• Scenario planning and sensitivity analysis of key risks</li> <li>• Transformation programme to set out cost review</li> <li>• Maintain General fund reserve of at least £2m</li> <li>• Regular review of reserves</li> <li>• Annual review of fees and charges</li> </ul>	
CR008	Availability of suitable sites to meet the strategic need for building new homes	Strategic Director and S151 Officer RB	<ul style="list-style-type: none"> <li>• Increasing demand for new houses</li> <li>• High cost of housing, including private rented sector</li> <li>• Unable to identify new sites for new houses</li> <li>• Increasing infrastructure demands on new sites</li> <li>• Higher build costs</li> <li>• Increasing inflation and interest rates affecting supply</li> </ul>	<ul style="list-style-type: none"> <li>• Increased housing waiting list numbers</li> <li>• Increasing homelessness</li> <li>• Difficulty accessing housing markets</li> <li>• Outward migration of younger residents</li> <li>• Adverse publicity</li> <li>• Government intervention</li> </ul>		<ul style="list-style-type: none"> <li>• Plans in place to deliver significant new homes</li> <li>• Regular monitoring of projects</li> <li>• Revised Housing Strategy</li> <li>• Cost benchmarking</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	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	Corporate Head of Finance	<ul style="list-style-type: none"> <li>Malicious attack by Hackers for financial gain</li> <li>Malicious attack by Hackers to disrupt business and ability to deliver services</li> <li>Viral code attack in order to data mine information and identities</li> </ul>	<ul style="list-style-type: none"> <li>Possible complete shutdown of Council IT Systems and Infrastructure</li> <li>Business/service delivery disruption</li> <li>Significant Financial loss</li> <li>Credibility and confidence lost in engaging with digital services and e-payments</li> </ul>		<ul style="list-style-type: none"> <li>Mandatory Cyber Security awareness training held for all staff</li> <li>IT Systems and processes administered to PSN (Public Services Network) standards and protocols</li> <li>ITILv3 Methodology adoption for ITSM</li> <li>Comprehensive and regular reviews of ISP (Information Security Policies) and IT Network Access Policies</li> <li>Operational daily checks and proactive monitoring of Firewalls and pattern updates</li> <li>Staff qualified in Cyber Scheme Professional standards and within GOV UK CESG guidelines</li> <li>Regular system health checks and vulnerability scans</li> <li>System and software maintained to supported levels.</li> <li>Email security managed by accredited 3rd party</li> <li>Insurance for potential losses for a cyber-attack</li> </ul>	

Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
CR010	Responding to Climate Change Emergency and reducing the council and district carbon emissions	Strategic Director DA	<ul style="list-style-type: none"> <li>• Failure to take steps to achieve target for the council to be carbon neutral by 2024</li> <li>• Resistance to behavioural change to reduce energy use</li> <li>• Not take advantage of new technologies to reduce energy usage</li> <li>• Funding not made available</li> <li>• Insufficient project capacity in house</li> </ul>	<ul style="list-style-type: none"> <li>• Failure to meet agreed targets</li> <li>• Adverse publicity</li> <li>• Reputational damage</li> <li>• Increased risk of flooding</li> <li>• Increased risk of droughts</li> <li>• Reduction in house prices</li> <li>• Carbon emissions increase</li> <li>• Protests by lobby groups</li> <li>• House price volatility e.g., increases in value for houses in areas less likely to flood</li> </ul>		<ul style="list-style-type: none"> <li>• Winchester Carbon Neutrality Action Plan approved</li> <li>• Cross council officer group established</li> <li>• Partner group established</li> <li>• Climate Emergency declared</li> <li>• Asset Management Strategy</li> <li>• Annual report for first 2 years</li> <li>• £15mil HRA</li> </ul>	
CR011	Lack of preparedness and incapability to respond to events caused by climate change	Strategic Director DA	<ul style="list-style-type: none"> <li>• Failure to prepare for an adverse weather event, for example long period of rain, heavy snow or heatwave</li> <li>• Failure to manage sluice gates and maintain rivers</li> <li>• Failure to respond to an adverse weather event, e.g., making safe city footpaths and car parks after heavy snow fall</li> </ul>	<ul style="list-style-type: none"> <li>• Flooding causing damage to property and assets</li> <li>• Loss of income to the council e.g., closed car parks due to snow</li> <li>• Adverse publicity</li> <li>• Damage to reputation</li> </ul>		<ul style="list-style-type: none"> <li>• Multiagency Emergency Response Plan in place, reviewed and updated annually</li> <li>• Annual Emergency Planning exercise to test the Plan</li> <li>• Completion of flood alleviation schemes</li> <li>• Temporary flood defence barrier purchased and available to be used where there is a need</li> </ul>	