

REPORT TITLE: Q4 GOVERNANCE MONITORING

12 JUNE 2023

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

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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 2022/23 financial year.

RECOMMENDATIONS:

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 arising from the content of this report.

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

### 5. PROPERTY AND ASSET IMPLICATIONS

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

### 6. CONSULTATION AND COMMUNICATION

- 6.1. Consultation on the content of this report has been undertaken with the Cabinet member for Inclusion and Engagement and with members of the Executive Leadership Board (ELB) and Corporate Heads of Service (CHoS). 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. There are no environmental considerations arising from the content of this report.

### 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. There are no data protection impact assessments 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 2023/24 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 2022/23 financial year concerning governance.

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

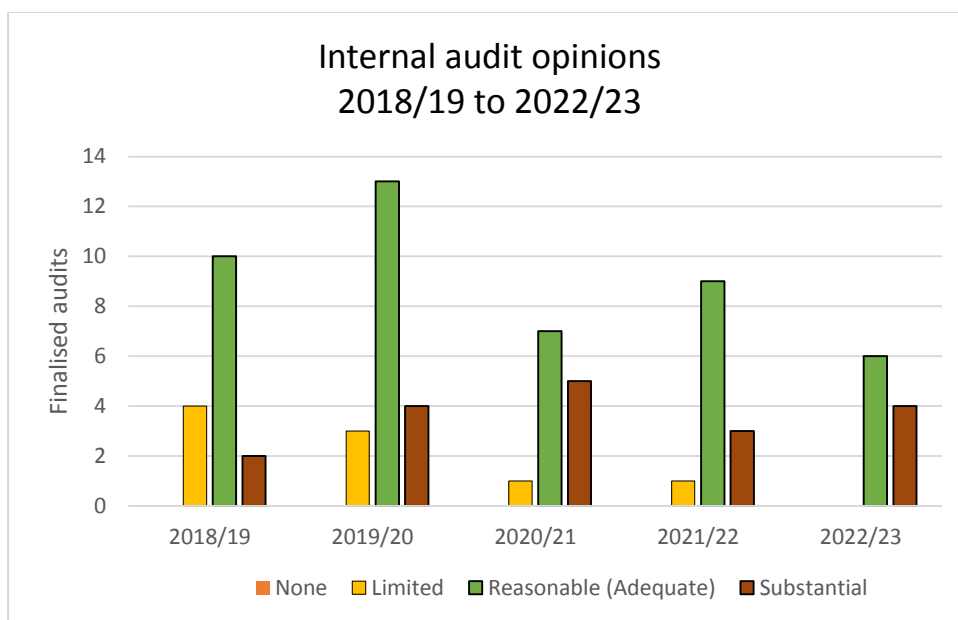
- 11.2. Progress against the actions included in the 2021/22 Annual Governance Statement is included in appendix 1 to this report.

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

- 11.3. During the period 1 January 2023 to 31 March 2023 there were seven declarations of gifts and hospitality made by officers in accordance with the Employee Code of Conduct and included gifts of biscuits, chocolates and preserves.
- 11.4. Members regularly update their register of interest forms and during the period 1 January 2023 to 31 March 2023, there were no declarations of gifts or hospitality over the value of £50 recorded 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 2018/19 to the current year 2022/23.



- 12.2. There have been no published audit reports that concluded with a 'no assurance' or 'limited assurance' opinion during 2022/23.
- 12.3. Since the Q3 2022/23 Governance Monitoring report was presented to Audit and Governance Committee on 2 March 2023 there have been 7 internal audit reports finalised and issued before the 31 March 2023.
- User Lifecycle and Access Management (IT) (reasonable assurance).
  - Payroll (substantial assurance)
  - Main Accounting and Reconciliations (reasonable assurance).
  - Information Governance – FOI, EIR, SAR (substantial assurance)
  - Accounts Payable (reasonable assurance)
  - Housing Asset Management – Responsive Repairs (reasonable assurance)
  - Council Tax (substantial assurance)

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

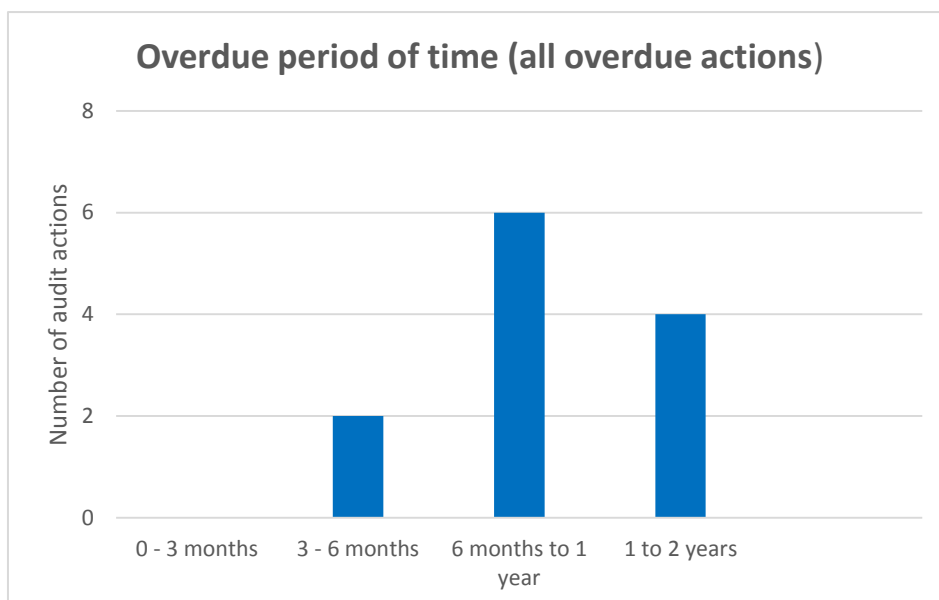
- 12.4. Corporate heads of service (CHoS), service leads, and Executive Leadership Board (ELB) regularly review the progress against the management actions included in the internal audit reports.
- 12.5. A summary table showing the status of these actions is included in the quarterly reports and the 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 12 overdue audit actions with 3 being high priority. This is the same as reported as overdue at the last meeting of the committee on 2 March 2023.
- 12.8. Further information relating to the current overdue internal audit actions is shown in the table below.

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Reported	Not Accepted	Management Actions			LOW	MEDIUM	HIGH
						Pending	Cleared	Overdue			
<b>Working in Partnership</b>	09/09/2020	SDR	Limited	12 (2)	0 (0)	0 (0)	10 (2)	1 (0)			
<p><b>Progress update:</b> There is one overdue action remaining which is to undertake a check with each partnership lead officer that the required management documents are in place. Details of partnerships are incorporated in the Business Plans for 2023/24 which have been completed in accordance with the schedule.</p> <p>Partnership details are being extracted from the business plans and checks underway to be completed by the end of Q1.</p>										1	
<b>IT Business Continuity &amp; Disaster Recovery</b>	06/07/2021	SDR	Reasonable	4 (0)	0 (0)	0 (0)	1 (0)	3 (0)			
<p>There are three overdue actions, two relate to the undertaking of 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>During 2022, hardware was delivered and deployed successfully. An IT business continuity plan (BCP) exercise had been planned for October/November 2022 but has been delayed.</p> <p>A new plan is being formulated, to take into account support and renewal options of backup software and allocating resources required. Delivery of the new plan is expected to be completed by the end of Q1 2023/24.</p>									1	2	
<b>Information Governance</b>	03/03/2022	SDR	Limited	14 (0)	0 (0)	3 (0)	5 (1)	6 (3)			

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Reported	Not Accepted	Management Actions			LOW	MEDIUM	HIGH
						Pending	Cleared	Overdue			
<b>Records Retention</b>											
<p><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. Paragraph 14 below provides further details.</p>										4	3
<b>WCC Programme and Project Management</b>	06/09/2022	SDR	Reasonable	12 (0)	0 (0)	0 (0)	11 (0)	1 (0)			
<p><b>Progress update:</b></p> <p>Only one overdue action is remaining and relates to holding refresher training to embed the revised Programme and Project Management Methodology throughout the council and training for new project managers.</p> <p>A Senior Leadership team (SLT) meeting is being arranged to provide a briefing to all Corporate Heads of Service (CHoS) and service leads on the revised methodology that must be followed by any officer who is responsible for managing a project. Ongoing support on the new methodology will be provided by the Senior Policy and Programme Manager and Assistant Programme Support Officer.</p> <p>The Assistant Programme Support Officer is working with HR colleagues to identify potential training providers with the aim to secure a date for the training by the end of QTR 1 2023/24.</p>										1	



### 13. **Disabled Facilities Grants**

- 13.1. Progress against the agreed audit management action points arising from the internal audit review of disabled facilities grants is now complete including the reviewing and updating of the Disabled Facilities Grant (DFG) Policy which will become the public front facing document.
- 13.2. The DFG Policy 2022/25 was approved by Cabinet Housing Committee at their meeting held on 21 March 2023.
- 13.3. A DFG 2023-2025 procedure document has been compiled in line with the DFG Policy and will be shared with staff.

### 14. **Information Governance – Records Management 2020/21**

- 14.1. A review and refresh of the Records Retention Policy and Schedule has been completed and a draft of the updated policy is due to be considered at Executive Leadership Board (ELB) during Q1 2023/24. The policy sets the council's approach to managing, retaining and securely disposing of our information in accordance with our business requirements and legal obligations.
- 14.2. As an appendix to the policy, the Retention and Disposal Schedule sets out the retention periods for the different services at the council.
- 14.3. Embedding the updated policy and schedule successfully across the organisation is expected to take a significant amount of both staff resources and time and will be managed as a project, following the council's adopted project management methodology. The risks associated with this project are currently being assessed and will be reported regularly to Programme and Capital (PAC) Board along with progress updates. As part of the project



documentation, a stakeholder and implementation plan is also being developed.

## 15. **Risk Management**

15.1 The council's Risk Management Policy 2023/24 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 is included at Appendix 4 of this report. The latest formal review of the Corporate Risk Register by Executive Leadership Board (ELB) was carried out on 19 April 2023.

15.2 At this review, ELB agreed and noted the following:

- CR001 Capacity to deliver services - The current controls do not reduce the residual risk. This is accepted as the risk is very complex in nature and is subject to unexpected changes with little or no prior warning with the potential to have a major effect on capacity.
- CR003 Ensuring decisions are made on customer insight and engagement – The controls were updated to reflect the commitment made in the refreshed Council Plan in terms of 'Listening Better' and also that an Equality, Diversity and Inclusion Action Plan is being embedded across the organisation.
- CR007 The need to ensure financial resilience – ELB agreed to add the Transformation Challenge 2025 (TC25) programme to the current controls with the residual risk rating remaining the same due to the short-term nature of confirmed government funding.
- CR011 Preparedness and incapability to respond to events caused by climate change – A control was added to reflect the objectives of the Emerging Local Plan to support the council priority of tackling the climate emergency and creating a greener district.
- CR012 Nutrient neutrality – Phosphates - ELB noted that there are some mitigation options being discussed and as such the Residual Risk is reduced (likelihood reduces from highly likely to likely).

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

15.3. ELB did not identify any new or emerging risks to be added to the Corporate Risk Register.

15.4. Of the 83 Operational Risks managed by Corporate Heads of Service, 2 of these were presented to ELB for review as residual 'red' risks. ELB agreed that the controls were sufficient, that the current residual risk score was correct and accepted and escalation to the Corporate Risk Register was not required at this stage.

16. **Code of Conduct Complaints**

- 16.1. The Audit and Governance Committee has two sub-committees including the Standards Sub-Committee, whose purpose is to consider investigation reports in respect of Code of Conduct Complaints that have been referred to it by the Monitoring Officer.
- 16.2. 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.

17. OTHER OPTIONS CONSIDERED AND REJECTED

- 17.1. None

BACKGROUND DOCUMENTS: -

Previous Committee Reports: -

AG096 Governance Monitoring Quarterly update Q3 2022/23, 2 March 2023.

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 2021/22 – Action Plan update – March 2023**

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 being prepared for consideration during summer 2023.	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 later 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, updated, and draft has been considered at Programme and Capital (PAC) Board.	Senior Policy and Programme Manager	July 2022	<b>Complete</b>
		Publish guidance for all project managers to that explains the methodology to support the successful management and delivery of projects – intranet & email.	Guidance and support given to project managers in line with the revised methodology has been published on the intranet and shared with project managers.	Senior Policy and Programme Manager	August 2022	<b>Complete</b>

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
		Arrange and hold training events to embed the methodology throughout the council hopefully delivery by end of March	Briefing session with senior managers has been delayed to April 2023. In the process of identifying potential training providers with the aim to secure a date for the training by the end of QTR 1 2023/24.	Senior Policy and Programme Manager	June 2023	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.  Business and Housing Policy Committee on 29 November was given a presentation covering the new draft policy.	Private Sector Housing Senior Officer DFG	September 2022	<b>Complete</b>
		The DFG Policy and Procedure is out of date,	The new draft DFG policy was signed off by Cabinet	Private Sector Housing Senior	March 2023	<b>Complete</b>

No.	Issue	Actions	Progress Update	Lead Officer	Target Date	Current Status
		resulting in a lack of clarity and consistency regarding roles and responsibilities.	Housing Committee on 21 March 2023. An office procedure has been compiled to work in conjunction with the policy.	Officer		

## Internal Audit Progress Report 2022/23

31 March 2023

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.

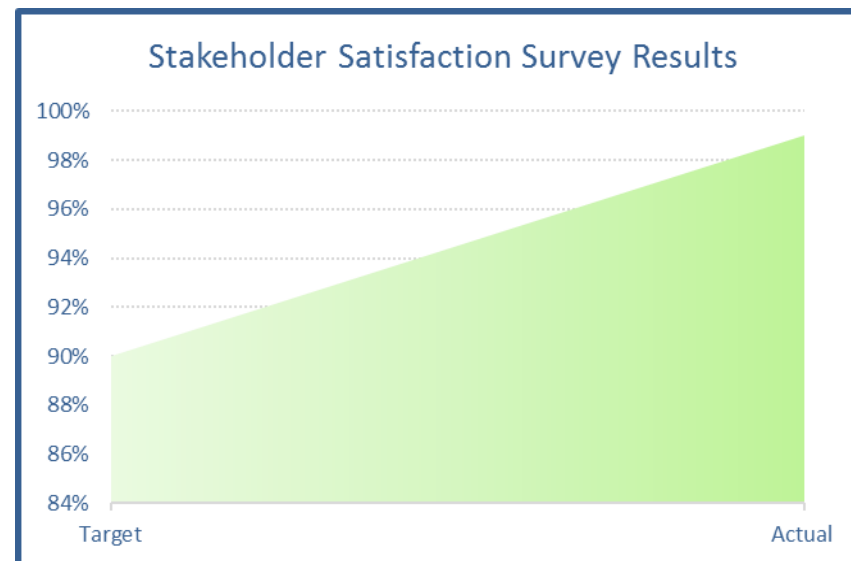
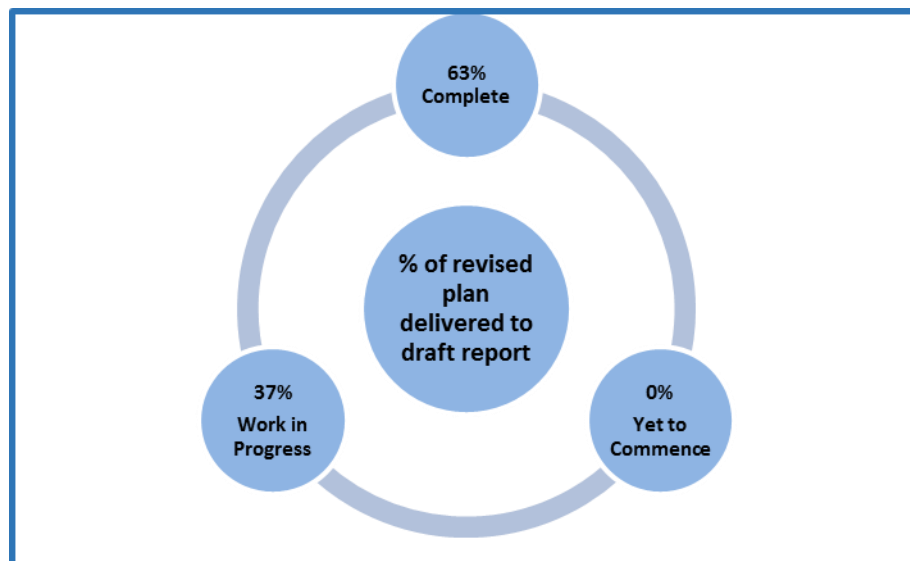
Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. The assurance opinions are categorised as 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	11		1	
ICT Business Continuity and Disaster Recovery Planning	Jul 21	SDR	Reasonable	4	0	1	1	2	
Information Governance – Records Management	Mar 22	SDR	Limited	14	1	6		4	3
Housing - Leaseholder Management	Jun 22	SDS	Reasonable	6	2	4			
Programme & Project Management	Sep 22	SDR	Reasonable	12	0	11		1	
Planning / Development Management	Oct 22	SDS	Reasonable	4	2	2			
NNDR	Nov 22	SDR	Reasonable	4	1	3			
User Lifecycle & Access Management	Feb 23	SDR	Reasonable	5	2	3			
IT Asset Management	Feb 23	SDR	Reasonable	8	8	0			
Information Governance – FOI/SAR	Feb 23	SDR	Substantial	2	1	1			
Main Accounting and Reconciliation	Feb 23	SDR	Reasonable	1	1	0			
Health & Safety	Mar 23	SDP	Reasonable	9	8	1			
Accounts Payable	Mar 23	SDR	Reasonable	6	6	0			
<b>Total</b>							<b>1</b>	<b>8</b>	<b>3</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	Oct 22	n/a	
Winchester Sport and Leisure Park and Meadowside Leisure Centre - Contract Management	SDP	✓	✓	✓	May 22	Oct 22	Reasonable	
User Lifecycle & Access Management	SDR	✓	✓	✓	June 22	Feb 23	Reasonable	
IT Asset Management	SDR	✓	✓	✓	July 22	Feb 23	Reasonable	
<b>2022-23</b>								
<b>Strategic / Governance Reviews</b>								
Programme & Project Management	SDR	✓	✓	✓	Aug 22	Sep 22	Reasonable	
Financial Stability – Budget Setting, Monitoring and Reporting	SDR	✓	✓	✓	Dec 22	Dec 22	Substantial	
Carbon Neutrality Action Plan	SDP	✓	✓	✓				
Asset Management (Corporate Estate)	SDP	✓	✓	✓				
Health & Safety	SDP	✓	✓	✓	Dec 22	Mar 23	Reasonable	
Procurement	SDR	✓	✓	✓				
Contract Management	SDR	✓	✓	✓				
Information Governance – FOI/SAR	SDR	✓	✓	✓	Feb 23	Feb 23	Substantial	

Audit Review	Sponsor	Scoping	Terms of Reference	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Corporate Governance Framework & Complaints	SDR	✓	✓	✓	Sep 22			
Fraud Framework - NFI	SDR	n/a	n/a	✓	n/a	n/a		
Human Resources – Policies and Procedures	SDR	✓	✓	✓				
<b>Core Financial Systems</b>								
NNDR	SDR	✓	✓	✓	Oct 22	Nov 22	Reasonable	
Housing Rents	SDR	✓	✓	✓				
Council Tax	SDR	✓	✓	✓	Jan 23			
Accounts Payable	SDR	✓	✓	✓	Jan 23	Mar 23	Reasonable	
Main Accounting and Reconciliations	SDR	✓	✓	✓	Jan 23	Feb 23	Reasonable	
Payroll	SDR	✓	✓	✓	Nov 22	Jan 23	Substantial	
<b>Information Technology</b>								
Cyber Security – IT Response Planning	SDR	✓	✓	✓	Dec 22			
<b>Service / Operational Reviews</b>								
Housing and Homelessness – Housing Allocations	SDS	✓	✓	✓				
Housing Asset Management – Responsive Repairs	SDS	✓	✓	✓	Oct 22			
Disabled Facilities Grants – Follow-up	SDS	✓	✓	✓	Jan 23	Jan 23	n/a	
Planning / Development Management	SDS	✓	✓	✓	Aug 22	Oct 22	Reasonable	

<b>Audit Review</b>	<b>Sponsor</b>	<b>Scoping</b>	<b>Terms of Reference</b>	<b>Fieldwork</b>	<b>Draft Report</b>	<b>Final Report</b>	<b>Assurance Opinion</b>	<b>Comment</b>
Open Spaces – Play Area Safety Checks	SDP	✓	✓	✓				
Licensing	SDS	✓	✓	✓				
Markets	SDP	✓	✓	✓				
<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**

Audit reviews added to the plan (included in rolling work programme above)	Comment
Programme & Project Management	Review brought forward from 2021-22
NNDR	Review brought forward from 2021-22

Audit reviews removed from the plan (excluded from rolling work programme)	Comment
IT Governance – Mobile Device Management *	The project to implement a new mobile device management solution/roll out new mobile devices has been delayed (currently in progress) therefore defer the review to 2023-24 to assess the device management solution once implemented.
Working in Partnership *	Defer the review to enable the new framework to be rolled out across the Council and has become embedded/ action taken to align to the new framework.
Digital Strategy *	The Council are developing a digital strategy therefore defer the review until the strategy has been agreed and the audit can assess progress with implementing the aims.

\* Agreed 02 March 2023

**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**

Code of Conduct Complaints received by the office of the Monitoring Officer since previous meeting of Audit & Governance Committee and update of those previously reported - as of 18 May 2023

**Summary of current caseload:**

- A. Number **Active Individual Complaints**: 3 complaints from 3 individual complainants
- B. Number Complaints **Not Commenced**: 0
- C. Number **individual complaints** relating to a City Councillor: 0
- D. Number **individual complaints** relating to a Parish/Town Councillor: 3
- E. Number of complaints received since last report: 3
- E. **Cases closed** since the last report: 19.
- F. Number of **Standards Sub Committees** held: 0

**Analysis of active cases:**

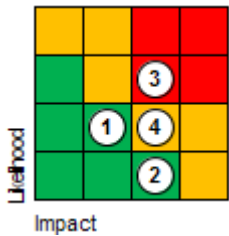
<b>Date received</b>	<b>Relating to Parish/ Town/ City Councillor</b>	<b>Details</b>
Sep 22	Town/ Parish Councillor	Response received from subject member to complaint. File considered by Independent Person (IP). Monitoring Officer (MO) to finalise conclusions and report.
Apr 23	Town/ Parish Councillor	Response received from subject member to complaint. File to be reviewed and considered for MO/IP review.
May 23	Town/ Parish Councillor	Response received from subject member to complaint. File to be reviewed and considered for MO/IP review.

# Corporate Risk Register 2023/24



As of 19 April 2023

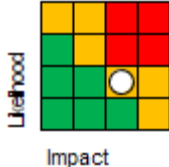
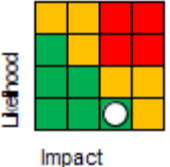

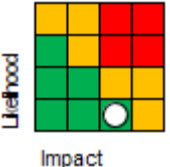
Residual Risk Summary:

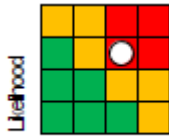
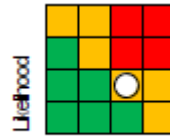


Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
CR001	Given competing demands and multiple complex priorities, the risk is that the council does not maintain capacity to deliver services	Chief Executive	<ul style="list-style-type: 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</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</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 reviewed with Cabinet alongside a refreshed Council Plan approved in January'23</li> <li>• Proactive approach to communications</li> </ul>	

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			<p>the pandemic</p> <ul style="list-style-type: none"> <li>• Competition from the private sector for key staff roles e.g. planning, project management</li> <li>• Decision making can be slow</li> <li>• Tension between day-to-day and strategic priorities</li> <li>• Key skills not in the right place</li> </ul>	<p>shortage.</p> <ul style="list-style-type: none"> <li>• If staff lack political awareness, middle managers will be slow to redeploy resource to current priorities</li> <li>• If staff are diverted then can't deliver on other lower-level priorities or day-to-day work</li> <li>• Reputation is damaged as the council is not seen to be able to deliver 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>• internal and external</li> <li>• 50/50 hybrid working policy agreed</li> <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>• CMM 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 errors	Strategic Director and MO (SE)	<ul style="list-style-type: none"> <li>• Lack of skill and/or time to identify evidence to support decision making</li> <li>• Lack of consultation with ward members and/ or parish council's over local issues</li> <li>• Procedural error in</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of a robust and evidence-based approach to customer engagement can lead to:                             <ul style="list-style-type: none"> <li>• Reputational damage</li> <li>• Views that the</li> </ul> </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</li> </ul>	

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			<p>statutory process</p> <ul style="list-style-type: none"> <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>council is too Winchester-centric and that decisions made are inequitable</p> <ul style="list-style-type: none"> <li>• a perception that people's views are ignored</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>addressed separately via robust 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 proactive open and transparent approach to communication</li> <li>• Use of external specialist when appropriate</li> <li>• Commitment made in the refreshed Council Plan in terms of 'Listening Better'</li> <li>• Equality, Diversity and Inclusion Action Plan is being embedded across the organisation</li> </ul>	

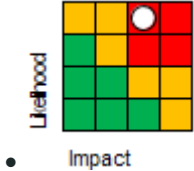
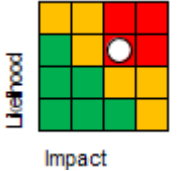
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CR004	Failure to have plans and processes in place to recover and maintain services after a major incident (including pandemic) that has a significant impact on the ability of the Council to provide its services	Strategic Director and MO (SE)	<ul style="list-style-type: none"> <li>• Not maintaining an effective corporate wide Business Continuity Plan</li> <li>• Not regularly testing the plan and following-up learning</li> <li>• Key staff unavailable</li> <li>• Communication systems ineffective</li> <li>• Lack of awareness of Business Continuity Plan</li> <li>• Failure to assess business critical functions and have plans in place</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 and/or economic impact</li> </ul>		<ul style="list-style-type: none"> <li>• Business Continuity Plans reviewed and tested in 2022 and a report due to ELB early 2023.</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> <li>• All staff able to seamlessly work from home, where job allows</li> <li>• 2020 internal audit (Business Continuity) resulting in substantial opinion and no identified weaknesses</li> </ul>	
CR006	Breakdown of 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>• Money spent on Partnership working doesn't add value</li> <li>• Strategic partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Significant project delivery such as the major projects and the new homes building programme could fail due to failure of strategic</li> </ul>		<ul style="list-style-type: none"> <li>• Annual review by each CHoS of all partnerships undertaken to identify key strategic partners</li> <li>• Annual performance</li> </ul>	

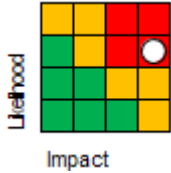
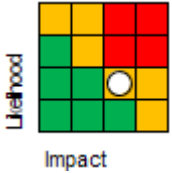
Code	Risk Description	Risk Owner	What might go wrong?	What will happen?	Original Risk Rating	Current Controls	Residual Risk
			<p>may falter due to conflicting demands within individual partners</p> <ul style="list-style-type: none"> <li>• Incorrect application of the procurement regulations due to a misunderstanding as to how and when they apply to partnership working</li> <li>• Partnerships may be unsuccessfully commissioned due to lack of skills and poor scoping</li> <li>• Significant local, regional or national partners may close down, affecting the council</li> </ul>	<p>partnerships</p> <ul style="list-style-type: none"> <li>• Local delivery could fail if local strategic partners are not aligned</li> <li>• Reputational damage to all partners</li> <li>• Lack of value for money (VfM)</li> </ul>		<p>reporting for significant partnerships by CHoS'</p>	
CR007	Lack of sufficient funding and/or escalating costs over the medium term reducing financial viability and inability to achieve a balanced budget	Corporate Head of Finance and s151 (LK)	<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, 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</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> <li>• Demand/cost of services</li> <li>• Increased construction costs and impact on delivery and viability of key</li> </ul>	 <p>Likelihood</p> <p>Impact</p>	<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 options</li> <li>• Quarterly finance reporting and monitoring of key income sources</li> <li>• Regular policy</li> </ul>	 <p>Likelihood</p> <p>Impact</p>



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			<ul style="list-style-type: none"> <li>on the Council due to falling standards in services</li> <li>Impact of a Pandemic</li> </ul>	<ul style="list-style-type: none"> <li>projects</li> <li>Over borrowing and avoidable cost</li> </ul>		<ul style="list-style-type: none"> <li>review and monitoring</li> <li>Scenario planning and sensitivity analysis of key risks</li> <li>Transformation Challenge 2025 (TC25) is now in the process of being planned and implemented</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 (HRA)	Strategic Director (SH)	<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> <li>Ability to meet the business plan target which will</li> </ul>	<p>3x3 Risk Matrix with Likelihood on the y-axis and Impact on the x-axis. The top-right cell (High Likelihood, High Impact) is highlighted with a white circle.</p>	<ul style="list-style-type: none"> <li>A variety of 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>	<p>3x3 Risk Matrix with Likelihood on the y-axis and Impact on the x-axis. The top-right cell (High Likelihood, High Impact) is highlighted with a white circle.</p>

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				have a negative effect on income			
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 and s151 (LK)	<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</li> </ul>	

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						health checks and vulnerability scans <ul style="list-style-type: none"> <li>• System and software maintained to supported levels.</li> <li>• Email security managed by accredited 3rd party</li> <li>• Insurance for potential losses from a cyber attack</li> <li>• Third party review jointly with TVBC will be undertaken early 2023 to see what further actions the council's can pro-actively take to mitigate this risk further</li> </ul>	
CR010	Failure to effectively respond to the Climate Change Emergency and reduce the council and district carbon emissions	Strategic Director (DA)	<ul style="list-style-type: none"> <li>• Failure to achieve target for the council to be carbon neutral by 2024 and the district by 2030</li> <li>• Carbon emissions increase</li> <li>• Air quality drops</li> <li>• Insufficient project capacity in-house</li> </ul>	<ul style="list-style-type: none"> <li>• Reputational damage for failing to meet targets</li> <li>• Increased risk of flooding - damage to property, disruption to business, health and wellbeing of displaced residents</li> <li>• Increased risk of</li> </ul>		<ul style="list-style-type: none"> <li>• Review of progress against the Winchester Carbon Neutrality Action Plan (CNAP). Currently reviewing the milestone report to determine next actions.</li> <li>• Climate Emergency</li> </ul>	

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				<p>droughts - pressure on river system health, depleted aquifer/reservoir volumes, negative impact upon agriculture, fire risk</p> <ul style="list-style-type: none"> <li>• Extreme heat and cold - health risk for vulnerable people, pressure on emergency and health services;</li> <li>• Protests by lobby groups</li> <li>• House price volatility</li> </ul>		<p>declared</p> <ul style="list-style-type: none"> <li>• Asset Management Strategy</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</li> </ul>	

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						used where there is a need • The Emerging Local Plan has clear objectives to support the council priority of Tackling the climate emergency and creating a greener district.	
CR012	Nutrient neutrality - Phosphates	Strategic Director (DA) and Corporate Head of Planning and Regulatory (EE)	<ul style="list-style-type: none"> <li>Inability for developers to achieve nutrient neutrality specifically related to phosphates will delay housing and delivery of other forms of residential development within the affected area</li> </ul>	<ul style="list-style-type: none"> <li>Adverse impact on economy</li> <li>Reduction in supply of new homes</li> <li>Inability to maintain a 5-year housing land supply leading to unplanned development being permitted</li> <li>Reputational damage</li> </ul>		<ul style="list-style-type: none"> <li>£200k grant funding has been awarded by Government across the affected Solent area and we are currently working with PUSH to identify strategic solutions</li> <li>A formal project is being established</li> </ul>	

